Trademark and brand dilution:
An empirical investigation

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by

Hannelie Kruger

Supervisor: Prof Christo Boshoff

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STATEMENT OF ORIGINALITY

This work has not previously been submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

Signed:

Hannelie Kruger

Date:

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ABSTRACT

The Constitutional Court in the Republic of South African indicated in 2006 (*Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae)*, 2006 (1) SA 144 (CC)) that a senior trademark cannot be provided with anti-dilution protection if the senior trademark cannot demonstrate a probability of substantial economic harm. In the United States of America, legislation (Trademark Dilution Revision Act of 2006) corrected an earlier Supreme Court decision (*Moseley v Victoria's Secret Catalogue, Inc.*, 537 U.S. 418 (2003)), and as a result evidence of a probability of dilution is now required to provide a senior trademark with anti-dilution protection. Senior trademarks experienced mixed success in courts in the Republic of South Africa as well as the United States of America when requesting anti-dilution protection. The reason is that when empirical evidence is offered of trademark dilution the nature of the evidence is usually limited and the method of obtaining it is often flawed. The response of brand managers to trademark infringement also seems to be limited to decisions contemplating litigation. Therefore, to assist both the legal and marketing fraternity when trademark infringement is thought to occur, this study investigates the nature and extent of trademark dilution.

A literature review revealed the elements and forms (tarnishing and blurring) of trademark dilution and the motivation for using the concept ‘brand’ and the construct ‘brand equity’ to conceptualise trademark value. The limitations of previous research in measuring trademark dilution and commentary on court decisions provided the basis of the conceptualisation of trademark dilution as an undesirable effect on customer-based brand equity, operationalised as brand attitude. Brand attitude is a higher level brand value creator and five sub-components (affect, cognition, attitude valence and stability, attitude accessibility, purchase intention) were identified that measures brand attitude accurately. Brand attitude is also preceded by brand familiarity and leads to brand loyalty. Furthermore, brand attitudes can also be explained according to four types of decision-making processes: the type of decisions (high and low involvement) and type of motivations (informational and transformational).

The purpose of this study was to investigate the nature and extent of trademark dilution, (tarnishing and blurring) on components of customer-based brand equity. The study used an experimental research strategy and an electronic survey instrument (Qualtrics) with

self-administered questionnaires. Six hypotheses were formulated to assess whether trademark tarnishing and blurring had an effect on any component of customer-based brand equity when trademarks/brands were considered collectively and individually. The study was designed as a 3 x 2 x 2 factorial experiment. It consisted of three factors (type of dilution; type of decision; type of motivation) with different levels (undiluted/tarnish/blur; high involvement/low involvement; informational/transformational). Twelve different questionnaires were administered to a convenience sample of 3 441 potential respondents.

The data generated by the 12 questionnaires was analysed using ANOVA and Mann-Whitney U tests. The results suggested that trademark tarnishing did have statistically significant effects on components of customer-brand equity as far all trademarks/brands were concerned and that the effect of trademark tarnishing and blurring were different when all trademarks/brands were considered together. Tarnishing and blurring had statistically significant effects on components of customer-based brand equity when individual trademarks/brands were considered, but the effect seemed to be specific to the type of decision (high/low involvement) taken and not the type of motivation (informational/transformational) involved. Tarnishing and blurring, when compared, had different and similar, but varying in intensity, effects on components of customer-based brand equity for individual trademarks/brands. Tarnishing and blurring, when considered separately, had different and similar, but varying in intensity, effects on components of customer-based brand equity.

The study made a theoretical contribution which should be of value to members of the legal and marketing fraternity. The study showed in the first instance that trademark tarnishing and blurring are independent constructs that had different or similar, but varying in intensity, effects on components of customer-based brand equity. The effect of trademark dilution, tarnishing and blurring, is not limited to brand recall and recognition and brand attitude accessibility. Trademark tarnishing also had different or similar, but varying in strength, effects on individual trademarks/brands, as did trademark blurring. The type of decision (high or low) and type of motivation (informational or transformational) therefore play a role in the unique effect trademark tarnishing or blurring will have on components of customer-based brand equity. Secondly, the effect of trademark tarnishing and blurring may not be unfavourable by implication. In fact, blurring had a positive effect on components of customer-based brand equity, at least after a single exposure. This

finding implies that trademark tarnishing has a more severe and faster effect on customer-based brand equity compared to trademark blurring. A brand manager will, as a result of the study, know how to respond, if at all, when a junior mark emerges that is similar to their senior trademark and seemingly dilutes the senior trademark. An attorney whose client requests anti-dilution protection will know, as a result of the study, whether litigation is indeed the answer to the problem.

The study provides insight, not only regarding the nature of trademark dilution, as explained by the impact of trademark tarnishing and blurring on specific components of customer-based brand equity, but also regarding the extent of trademark dilution. Trademark dilution has an effect on trademarks/brands, but the effect, be it in respect of a specific component or the intensity of the effect on the component, may not be what is expected.

Based on the results of this study several recommendations can be offered to brand managers and trademark attorneys. Brand managers (senior trademarks) should not respond to junior marks using their brands (senior trademarks) without first assessing the nature and extent of the effect of the junior mark on the senior trademark's customer-based brand equity. Similarly, attorneys should also first examine the nature and extent of trademark dilution and advise their clients accordingly. Once the nature and extent of trademark dilution have been determined, a brand manager can customise his response according to the component of customer-based brand equity affected as well as the intensity of the effect. Attorneys can support at least part of their arguments to obtain anti-dilution protection for their clients, on very exact indications of the effect of use by a junior mark on customer-based brand equity.

ABSTRAK

Die Konstitusionele Hof van die Republiek van Suid-Afrika het in 2006 ("*Laugh it Off Promotions CC vs SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae*)," 2006 (1) SA 144 (CC)) bevind dat 'n senior handelsmerk nie anti-skendingsbeskerming kan geniet tensy die senior handelsmerk 'n waarskynlikheid van wesenlike finansiële skade kan demonstreer nie. In die Verenigde State van Amerika het wetgewing 'n Hooggeregshof-uitspraak ("*Moseley v Victoria's Secret Catalogue, Inc*.," 537 U.S. 418 (2003)) gekorrigeer sodat sederdien slegs bewys van 'n waarskynlikheid van skending nou benodig word vir 'n senior handelsmerk om anti-skendingsbeskerming te kan geniet. Senior handelsmerke het gemengde welslae in beide die Republiek van Suid-Afrika sowel as die Verenigde State van Amerika behaal wanneer hulle anti-skendingsbeskerming versoek het omrede die empiriese bewyse wat normaalweg aangebied is, beperkend van aard was en die data-insamelingsmetode gebrekkig. Die reaksie van handelsmerkbestuurders op handelsmerk-oortreding was tot dusver beperk tot besluite ten gunste van litigasie al dan nie. Derhalwe ondersoek hierdie studie die aard en omvang van handelsmerk-skending om sodoende beide die regskundige en bemarkingsgemeenskappe te ondersteun wanneer handelsmerk-oortreding vermoed word.

'n Literatuur oorsig het die elemente en vorme (besmetting en verdowwing) van handelsmerk-skending geidentifiseer asook die motivering om die konsep van 'handelsmerk' en die konstruk van 'handelsmerkwaarde' te gebruik. Die beperkings van vorige navorsing om handelsmerk-skending te meet en kommentaar op hofbeslissings het die basis van die voorstelling van handelsmerk-skending as 'n ongewenste effek op kliënt-gebaseerde handelsmerkwaarde neergelê en dit geoperasionaliseer as handelsmerk-ingesteldheid. Handelsmerk-ingesteldheid is 'n hoë-vlak handelsmerkwaardeskepper en vyf subkomponente (gevoelsinhoud/emosie; denke/kennis; polariteit en stabiliteit van ingesteldheid; ingesteldheidstoeganklikheid/reaksie latentheid; aankoopvoorneme) is geïdentifiseer wat handelsmerk-ingesteldheid akkuraat meet. Handelsmerk-ingesteldheid word voorafgegaan deur handelsmerk-bekendheid en gevolg deur handelsmerk-lojaliteit. Verder kan handelsmerk-ingesteldheid ook verklaar word aan die hand van vier soorte besluitnemingsprosesse: die tipe besluit (hoë betrokkenheid of lae betrokkenheid) en die tipe motivering (informatief of transformerend).

Die doel van die studie was om die aard en omvang van handelsmerk-skending, (besmetting en verdowwing) op die komponente van kliënt-gebaseerde handelsmerkwaarde te ondersoek. Die studie het ‘n eksperimentele navorsingstrategie gevolg en van ‘n elektroniese opname-instrument (Qualtrics) met self-geadministreerde vraelyste gebruik gemaak. Ses hipoteses is geformuleer om vas te stel of besmetting of verdowwing ‘n effek op enige komponent van kliënt-gebaseerde handelsmerkwaarde het wanneer alle handelsmerke gesamentlik beskou word sowel as afsonderlik. Die studie was ontwerp as ‘n 3 x 2 x 2 faktoriale eksperiment. Dit het bestaan uit drie faktore (tipe skending; tipe besluit; tipe motivering) met verskillende vlakke (onbenadeel/besmet/verdof; hoë betrokkenheid/lae betrokkenheid; informatief/transformerend). Twaalf verskillende vraelyste is aan ‘n geriefsteekproef van 3 441 moontlike respondente gestuur.

Die data word deur die 12 vraelyste gegenereer is met behulp van ANOVA en Mann Whitney U toetse ontleed. Die resultate het aangetoon dat besmetting ‘n statisties betekenisvolle effek op die komponente van kliënt-gebaseerde handelsmerkwaarde het wanneer die handelsmerke gesamentlik beskou word, asook dat die effek van besmetting en verdowwing verskillend is wanneer al die handelsmerke gesamentlik beskou word. Bemetting en verdowwing het statisties betekenisvolle effekte op die komponente van handelsmerkwaarde wanneer handelsmerke afsonderlik beskou word, maar die effek blyk verwant aan die tipe besluit (hoë betrokkenheid/lae betrokkenheid) te wees en nie aan die tipe motivering (informatief/transformerend) nie. Besmetting en verdowwing, wanneer dit vergelyk word, het verskillende of soortgelyke, maar veranderend invloede ten opsigte van intensiteit, effekte op die komponente van kliënt-gebaseerde handelsmerkwaarde.

Die studie lewer ‘n teoretiese bydrae gelewer aan lede van die regskundige-en bemarkingsgemeenskappe. Die studie het ten eerste getoon dat handelsmerk-besmetting en –verdowwing onafhanklike konstrukte is wat verskillende of soortgelyke, maar veranderend in intensiteit, effekte op kliënt-gebaseerde handelsmerkwaarde het. Die effek van handelsmerk-skending, besmetting en verdowwing, is nie net beperk tot handelsmerk-herroeping en -herkenning en handelsmerk-ingesteldheidstoeganklikheid nie. Handelsmerk-besmetting het ook verskillende of soortgelyke, maar verskillend in intensiteit, effekte op die handelsmerke afsonderlik, wat ook geld in handelsmerk-verdowwing. Die tipe besluit (hoë betrokkenheid of lae betrokkenheid) en tipe motivering (informatief of transformerend) speel derhalwe ‘n rol in die unieke effek wat besmetting of

verdowwing op die komponente van kliënt-gebaseerde handelsmerkwaarde het. Tweedens is die effek van besmetting en verdowwing nie noodwendig ongunstig nie. Trouens, verdowwing het ‘n versterkende effek op sommige komponente van kliënt-gebaseerde handelsmerkwaarde gehad, ten minste ná ‘n enkele blootstelling. Dit impliseer dat besmetting ‘n veel erger en vinniger effek op kliënt-gebaseerde handelsmerkwaarde as verdowwing het. ‘n Handelsmerkbestuurder sal na aanleiding van die studie weet hoe om te reageer, indien enigsins, wanneer ‘n junior merk verskyn wat soortgelyk aan die senior handelsmerk is. ‘n Prokureur wie se kliënt anti-skendingsbeskerming versoek sal weet, na aanleiding van die studie, of litigasie inderdaad die antwoord op die probleem is.

Die studie verskaf insig, nie net ten opsigte van die aard van handelsmerkskending soos beskryf deur die impak van handelsmerkbesmetting en –verdowwing op sekere komponente van kliënt-gebaseerde handelsmerkwaarde nie, maar ook ten opsigte van die omvang van handelsmerkskending. Handelsmerkskending het ‘n effek op handelsmerke, maar die effek, of dit op ‘n sekere komponent of op die intensiteit van die effek op die kompenent mag wees, is moontlik anders as wat verwag is.

Gabaseer op die resultate kan verskeie aanbevelings aan handelsmerkbestuurders en handelsmerkprokureurs gemaak word. Handelsmerkbestuurders (senior handelsmerke) behoort nie te reageer op junior merke wat hul merk (senior handelsmerk) gebruik sonder om die aard en omvang van die effek van die junior merk op die senior handelsmerk se kliënt-gebaseerde handelsmerkwaarde te bepaal nie. Eweneens behoort handelsmerkprokureurs eers die aard en omvang van die handelsmerkskending te bepaal en hul kliënte dienooreenkomstig adviseer. Sodra die aard en omvang van handelsmerkskending bepaal is, kan ‘n handelsmerkbestuurder sy reaksie volgens die geaffekteerde komponent van die handelsmerk, sowel as die intensiteit daarvan, aanpas. Prokureurs kan ten minste sommige van hul argumente om anti-skendingsbeskerming vir hul kliënte te verkry, ondersteun deur baie duidelike aanduidings van die effek van die gebruik van ‘n junior merk op kliënt-gebaseerde handelsmerkwaarde.

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CHAPTER 1
INTRODUCTION

1.1 BACKGROUND

Courts in the Republic of South Africa considered five cases of trademark dilution between 1996 and 2006. In 1996 the Durban and Coastal Division of the High Court found that the use of a mark 'spyderbilt' on surfboards will damage the reputation of the existing trademark 'spider' also used on surfboards (*Safari Surf Shop CC v Heavywater and others* [1996] 4 All SA 316 (D)). Five years later, in 2001, the Supreme Court of Appeals made two judgements in respect of trademark dilution. In the first case, the court found that the mark 'Power House' on clothing did not harm the reputation and/or character of the trademark 'Power' on footwear and clothing. The decision was based on the absence of evidence that proved detriment to the reputation and/or character of the trademark 'Power' (*Bata Ltd v Face Fashions CC and Another* 2001 (1) SA 844 (SCA)). In the second case, the court found that the mark 'Romantic Dreams' used on chocolate biscuits was not unfair and did not harm the reputation or character of the trademark 'Romany Creams', also used on chocolate biscuits (*National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd* 2001 (3) SA 563 (SCA)). The Cape Provincial Division of the High Court indicated in 2004 that the mark 'All Blax' bleach will harm the reputation and/or character of the trademark 'Albex' bleach (*Albion Chemical CO (Pty) Ltd v F A M Products CC* 2004 (6) SA 264 (C)). In 2006 the Constitutional Court heard a case (*Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae)* 2006 (1) SA 144 (CC)), referred to as the *Sabmark* case, where trademark dilution was alleged, and made a finding that defined the nature of proving trademark dilution.

In the *Sabmark* case, a well-known trademark, Carling Black Label Beer, was parodied on a t-shirt manufactured and sold by Laugh It Off Promotions. The name of the trademark 'Carling Black Label Beer' was replaced with 'Black Labour, White Guilt' and the slogan 'America's Lusty Lively Beer, Brewed in South Africa' with 'Africa's Lusty Lively Exploitation since 1652, No Regard Given Worldwide'. The owner of the Carling Black Label Beer, South African Breweries, requested anti-dilution protection from the court in terms of Section 34(1)(c) of the South African Trade Marks Act 194 of 1993 alleging that the infringement (parody) will harm the reputation of their trademark. The Constitutional Court indicated that unless there is a probability of substantial economic harm to the

trademark being infringed (parodied), and evidence is led to indicate harm, a trademark is not entitled to anti-dilution protection. The court did not indicate the nature and extent of evidence that would constitute proof of substantial economic harm. The judgement was not received well by the academic fraternity (Alberts, 2006; Kelbrick, 2006, 2007; Rutherford, 2006) and academics asked what the nature and extent of a probability of substantial economic harm would entail. In the United States of America, hundreds of cases on trademark dilution have been heard by different courts. But it was a Supreme Court case in 2003 and the legislature's reaction to the judgement that changed the landscape of proving trademark dilution in America.

An entrepreneurial husband and wife in Kentucky opened a lingerie and adult apparel shop and called the shop 'Victor's Little Secret', a reference to the famous trademark 'Victoria's Secret'. The 'Victoria's Secret' trademark took the 'Victor's Little Secret' mark to court and applied for anti-dilution protection as the 'Victoria's Secret' trademark was of the opinion that the 'Victor's Little Secret' mark will tarnish its reputation. The American Supreme Court found that unless actual dilution is proven, and 'Victoria's Secret' failed to do so, anti-dilution protection cannot be provided. The Supreme Court also did not indicate the nature and extent of evidence that would suffice. The American legislature reacted swiftly to the judgement and in 2006 the Trademark Dilution Revision Act was promulgated. The Trademark Dilution Revision Act of 2006 requires that a probability of dilution be illustrated. Illustrating a probability of dilution substantially lessens the burden on the trademark requesting anti-dilution protection. However, academics (Bradford, 2008; Diamond, 2007; Magid, Cox, & Cox, 2006; Sheff, 2011; Tuchnet, 2007) commented that the nature and extent of dilution evidence was still elusive and undefined and should be investigated further and in more detail.

In the United States of America different methods have been used to explain the nature and extent of trademark dilution (Jacoby, 2003, 2007; Morrin & Jacoby, 2000; Morrin, Lee, & Allenby, 2006). However, courts were not overly optimistic in accepting empirical evidence of trademark dilution. Surveys and experiments showed that consumers responded slower as a result of trademark dilution and also got confused and had less favourable perceptions of a specific trademark when questioned about the trademark. In academic literature (Desai, 2012; Freno, 2007) it has been suggested that the construct 'brand' be used to investigate the nature and extent of trademark dilution as the construct is not limited to response latency and does not need to be customised to investigate

certain trademarks. However, suggestions as to how the construct 'brand' should and could be used to illustrate trademark dilution have not been forthcoming.

Empirical evidence that illustrated trademark dilution has not been used in South Africa to date. It is suggested that it will be even more difficult in South Africa to prove trademark dilution, given the higher evidentiary threshold of a probability of substantial economic harm. But, there is no compelling argument that suggests that the 'brand' construct could not also be used to show trademark dilution in a South African context, given that legislative protection of trademarks are universally similar. Furthermore, a subject that has received very little attention to date is how the brand manager should respond when the trademark/brand is diluted. Describing the nature and extent of trademark dilution using a 'brand' construct will not only assist trademark owners before and during litigation, but will also help the brand manager in his strategic brand management initiatives.

In the following section key terminology is defined to ensure a consequent understanding of key concepts used in the study. Next, the problem of determining the nature and extent of trademark dilution in order to show a probability of dilution and substantial economic harm is addressed. A demarcation of the proposed study is presented, followed by a brief discussion on components of customer-based brand equity, proposed as construct to determine the nature and extent of trademark dilution. The research question and objectives that are based on the two constructs are formulated. The research method is then described, where after the potential contribution and limitations of the study are discussed.

1.2 THE DIFFICULTY IN DETERMINING THE NATURE AND EXTENT OF TRADEMARK DILUTION

A senior mark in South Africa, who alleges being infringed (either by trademark tarnishing or blurring) by a junior mark, must prove to a court when requesting anti-dilution protection the requirements set out in Section 34(1)(c) of the Trade Marks Act 194 of 1993 (these requirements are consistent with international dilution legislation)[1]. In the first instance, the senior mark must show that the junior mark and senior marks are identical or similar. Secondly, that the of use by the junior mark is unauthorised, occurred in the course of

[1] The senior mark is the mark that is being diluted while the junior mark is the mark causing the dilution. A senior mark came into existence before the junior mark while the junior mark exists as a general rule because of the senior mark.

trade, and takes unfair advantage of or be detrimental to the distinctive character (blurring) or reputation (tarnishing) of the senior mark. Thirdly, the senior mark must show that his mark is famous or well-known in the Republic of South Africa. All requirements are relatively easily proven, except the requirement of proving detriment to the distinctive character (blurring) or reputation (tarnishing) of the senior mark.

The decision in the *Sabmark* case (Republic of South Africa) did not ease the evidentiary burden on the senior mark as the senior mark must also demonstrate that the result of the detriment to character (blurring) or reputation (tarnishing) resulted, or will result, in a probability of substantial economic harm. The Trademark Dilution Revision Act of 2006 that followed the *Moseley* decision (United States of America) did ease the evidentiary burden on the senior mark as the senior mark must only demonstrate a likelihood of detriment to character (blurring) or reputation (tarnishing), and not that the detriment had an economic consequence. However, exactly how the nature and extent of detriment to the character (blurring) or reputation (tarnishing) of a trademark could be proven has been the subject of some research in America. The nature and extent of the result of detriment (economic harm) to the character (blurring) or reputation (tarnishing) of the senior mark, has not been researched in either America or South Africa.

Empirical evidence generated by surveys substantiating claims of dilution has been used with some success (Diamond, 2007-2008; Holt & Duvall, 2008; Jacoby, 2003) in American courts. For example, in the *Nikepal* case (Nike, Inc. v. Nikepal International, Inc., U.S. Dist. LEXIS 66686, *12-*13 (E.D. Cal. 2007)) survey evidence was taken into consideration when the senior mark ‘Nike’ alleged blurring as a result of use by the junior mark ‘Nikepal’. In the *Michelob Oily* case (Anheuser-Busch, Inc. v. Balducci Publications, 28 F3d 769, 31 USPQ2d 1296 CA 8 1994) the court was convinced that tarnishment had occurred when survey evidence was offered by the senior mark ‘Michelob Dry’. ‘Starbucks’, the senior mark in the *Starbucks Wolfe’s* case (Starbucks Corporation v. Wolfe's Borough Coffee, Inc., 2005 U.S. Dist. LEXIS 35578, *26-*30 (S.D.N.Y. 2005)) did not succeed in showing tarnishing as a result of use by the junior mark of the term ‘Charbucks’. However, in the *Starbucks Lundberg* case (Starbucks Corporation v. Samantha Lundberg, 2005 U.S. Dist LEXIS 32660, *20-*22 (D. Or. 2005)), ‘Starbucks’, the senior mark did succeed in convincing the court with survey evidence that the junior mark ‘Sambuck’s Coffeehouse’ blurred the senior mark. However, surveys, especially concerning blurring (the character of

the trademark becoming less distinct) were criticised as not measuring a loss of distinctiveness but rather confusion (Holt & Duvall, 2008).

Empirical evidence generated by experiments has been used primarily to elucidate the nature of blurring (the senior mark becoming less distinct as a result of use by the junior mark). An early experiment focused on speed and accuracy of brand recall and recognition (Morrin & Jacoby, 2000) and results did show that blurring had an effect on speed and accuracy of brand recall and recognition. Although the experiment was criticised (Tuchnet, 2007) it did provide valuable insight into how blurring could be proven for judicial purposes. Later experiments (Pullig, Simmons, & Netemeyer, 2006) became more refined using response latency, aided recall and simulated choice to investigate the nature and extent of trademark dilution.

Magid, et al. (2006) posited an experiment based on some components of brand equity that could be used to investigate the nature and extent of trademark dilution. Even though several authors (Desai, 2012; Heald & Brauneis, 2011; Holt & Duvall, 2008; Jacoby, 2007) agree that brand equity is an appropriate construct to investigate the nature and extent of trademark dilution such an experiment has never been conducted.

1.3 SCOPE OF THE STUDY

Intellectual Property Law, in the Republic of South Africa (Trade Mark Act 194 of 1993), the United States of America (Trademark Dilution Revision Act), and the United Kingdom (Trade Marks Act 1994), defines what constitutes dilution and how it should be proven: the nature of onus on the plaintiff (what the senior mark should prove); what constitutes use by the junior mark; the meaning of being ‘well-known’; the concept of taking unfair advantage of or being detrimental to the distinctive character (blurring) or repute (tarnishing) of the senior mark; and use in the course of trade. Court cases, where trademark dilution is alleged, are brought in terms of Intellectual Property Law. Intellectual Property Law and the decisions made by courts on cases relating to trademark dilution provide the justification for this study, namely to investigate the nature and extent of trademark dilution.

In order to investigate the nature and extent of trademark dilution, trademarks were conceptualised as brands and the value trademarks create were equated to brand equity. Customer-based brand equity is a marketing concept used to explain how brands are built,

measured and managed. Brand equity, as a construct consists, of four components (brand awareness, brand image, brand attitude, brand loyalty) that could be used to investigate the nature and extent of trademark dilution. In this study, all four components were utilised (brand awareness and brand image were merged and measured as brand familiarity) to operationalise trademark dilution. The customer-based brand equity model of Keller (1993, 2003) was used as it focused on consumer perceptions as opposed to Aaker (1991, 1996) who focused on brand equity from a strategic perspective.

1.4 TRADEMARK VALUE AS CUSTOMER-BASED BRAND EQUITY

Trademark value was conceptualised as customer-based brand equity and trademark dilution as an unwanted or undesirable change in customer-based brand equity. An integrated conceptual construct of customer-based brand equity and trademark dilution is offered in Appendix F to explain how two theoretical constructs, trademark dilution and customer-based brand equity, were integrated to operationalise the nature and extent of trademark dilution.

Brand equity can be conceptualised as associations linked to brand memory nodes based on consumer psychology. The two most well-known, researched and often cited models of brand equity based on consumer psychology is called the Aaker model (1991, 1996) and the Keller model (1993, 2003b). The Aaker model is based on a corporate and managerial strategy perspective and brand equity is conceptualised as consisting of assets and/or liabilities referred to as brand awareness, brand associations, perceived quality, brand loyalty and other proprietary assets like trademarks. Perceived quality and brand associations are conceptualised as brand identity that consists of a core identity and an extended identity. Brand identity is determined by consumer associations organised around perspectives relating to the brand as product, person, organisation and symbol. The amalgamated perspectives create credibility and the brand value proposition that consists of functional, emotional and self-expressive benefits. The brand value proposition and credibility result in a relationship between the brand and its customers, leading to brand activity.

The Keller model is approached from a consumer-behaviour perspective and consists of six core brand values: brand salience, brand imagery and performance, brand judgement and feelings and brand resonance. Brand salience determines the brand identity while brand imagery and performance determines the brand meaning. Brand identity and

meaning are collectively referred to as brand familiarity. Brand judgement and feelings determines brand response while brand salience determines brand relationships. Brand response is defined as brand attitude and brand relationship as brand loyalty. Brand attitude is preceded by brand familiarity and succeeded by brand loyalty.

Brand familiarity of the Keller model is similar to brand awareness of the Aaker model. Brand attitude of the Keller model is similar to perceived quality and brand associations of the Aaker model while brand loyalty is conceptually inclusive in both models. However, when consumer perceptions are measured, the Keller model is preferred, as the Aaker model's focus is internal (strategy-based) as opposed to the Keller model that is external (customer-based). Brand attitude is a higher-level value creator and is used in this study to conceptualise trademark value in order to measure trademark dilution.

Brand attitude is a construct that has been researched extensively (Banaji & Heiphetz, 2010; Eagly & Chaiken, 1993; Fazio, 1986; Petty & Cacioppo, 1996). Attitudes are the drivers of human activity and are held in respect of objects like brands. In terms of the dual process models, the Elaboration Likelihood Model (Petty, Cacioppo, & Schuman, 1983) and the Heuristic-Systematic Model (Chaiken, 1987) attitudes consist of two components, affect and cognition, and stimuli are processed along the central or systematic (cognitive) or peripheral or heuristic (affective) routes. Attitudes can change motivated by compliance, identification and internalisation and these motivational factors are similar to the components of Aaker's (1996) brand value proposition that consists of functional, emotional and self-expressive benefits.

Brand attitude consists of five sub-components: what consumers feel (affect); what consumers think (cognition); how positive or negative and stable their thoughts and feelings are (attitude valence and stability); how accessible their thoughts and feelings are (response latency); and what they plan to do (purchase intention) as a result of their thoughts, feelings, the valence, stability and accessibility thereof.

Brand affect is a valenced feeling state that consists of feelings, moods and emotions in relation to an attitude object like a brand (Erevelles, 1998) and range from extremely positive to extremely negative (Maio, et al., 2010). Affect, as the first sub-component of brand attitudes, not only biases judgements but also contributes to effective judgement and decision-making (Albarracin, et al., 2005). Brand cognition is an evaluative judgement

that consists of knowledge, opinions, information, inferences and responses (Fishbein & Ajzen, 1975) and also range from extremely positive to extremely negative (Maio, et al., 2010). Cognition, as the second sub-component of brand attitudes, are influenced by affect, and although cognition and affect are conceptually distinct, they are interlinked (Compeau, Grewal, & Monroe, 1998) as they determine consumer evaluations of attitude objects. Attitude valence represents the direction, positive or negative, of an attitude (Eagly & Chaiken, 1993) while attitude stability refers to the importance of the attitude to the individual and the confidence and certainty with which the attitude is held (Haddock, et al., 1999). Attitude valence and stability is the third sub-component of brand attitudes. Attitude accessibility or response latency, the fourth sub-component of brand attitudes, relates to the strength of the association between the brand and the individual's associated memory (Berger & Mitchell, 1989). The last sub-component of brand attitude is brand conation, or behaviour. Brand beliefs (cognitive sub-component) and affect (affective sub-component) are the antecedent variables of brand attitude and purchase intention (conative or behavioural component) is the outcome variable (Bergkvist & Rossiter, 2008).

Brand attitude as construct represents trademark value, but is also preceded by brand familiarity (a lower-level value creator) and succeeded by brand loyalty (a higher-level value creator). Brand familiarity refers to brand identity and meaning. Brand identity is the result of brand salience while brand meaning is the result of brand imagery and performance associations (Keller, 2003b). Brand loyalty results from brand attitude and should brand attitude change sufficiently, brand loyalty should also be influenced (Keller & Lehmann, 2003; Wood, 1996).

Rossiter and Percy developed a grid, the Rossiter-Percy Grid (Rossiter, Percy, & Donovan, 1991) that is a model of brand attitudes that explains how consumers evaluate products, services and brands. In terms of this grid, consumer attitudes towards products, services and brands are categorised according to the type of decision and motivation that drive the brand attitude: the type of decision can be low involvement or high involvement and the type of motivation can be informational or transformational. This means, in terms of this study, that brands can be categorised in terms of the level of involvement and type of motivation that drive the brand attitude.

In summary, brand attitude, with its five sub-components, and is precursor brand familiarity and successor brand loyalty, were conceptualised in this study to represent trademark

value and a change, positive or negative, in brand attitude also means a change in brand value. Brands, and by implication trademarks, driven by attitudes, can further be categorised in terms of the type of decision and motivation that drive the attitude. The nature and extent of trademark dilution, conceptualised as the influence of tarnishing and blurring on customer-based brand equity, are posited to be dependent on the type of decision and motivation that drive consumer attitudes.

1.5 RESEARCH PROBLEM

The purpose of this study was to address the difficulty in determining the nature and extent of trademark dilution. South African courts require, when anti-dilution protection is sought, that evidence be provided of a probability of substantial economic harm while American courts require only a probability of dilution. However, the nature and extent of trademark dilution is not only a problem facing the legal fraternity, but also the marketing fraternity as brand managers do not know when and how they should respond to brands being tarnished (made less favourable) or blurred (made less distinct). Trademark value was conceptualised above as customer-based brand equity, primarily represented by five sub-components of brand attitude (affect; cognition; valence and stability; accessibility; purchase intention), preceded by brand familiarity and succeeded by brand loyalty. Trademark dilution, by tarnishing or blurring, was conceptualised as undesirable effects on customer-based brand equity particular or not to the type of decision and motivation driving the brand attitude.

Thus, against this background, the research question formulated for this study was “What is the nature and extent of the influence of trademark dilution, tarnishing and/or blurring, on customer-based brand equity for trademarks/brands when considered together, individually and compared?” The research question addresses the nature (positive or negative) and extent (the degree of influence) of tarnishing and blurring (separately and compared) on three components (brand familiarity; brand attitude; brand loyalty) and five sub-components (affect; cognition; valence and stability; accessibility; purchase intention) of customer-based brand equity for combined and individual (high involvement/informational; high involvement/transformational; low involvement/informational; low involvement/transformational) trademarks/brands.

1.6 THE OBJECTIVES OF THE STUDY

Against the background of the stated research problem, the following objectives were pursued.

1.6.1 Primary objective

The primary objective of this study was to determine the nature and extent of trademark dilution, tarnishing and blurring, on customer-based brand equity.

1.6.2 Secondary objectives

To address the primary objective, the following secondary objectives were pursued:

- to identify the requirements of proving trademark dilution;
- to conceptualise a model, customer-based brand equity, of trademark value;
- to describe previous measurements of trademark dilution;
- to identify and discuss the most appropriate construct, brand attitude, for measuring trademark dilution;
- to investigate the relationship between trademark dilution, tarnishing and blurring, and how consumers evaluate brands represented by the type of decision and motivation of the brand attitude;
- to offer recommendations to the legal fraternity of the nature and extent of trademark dilution; and
- to offer recommendations to the marketing fraternity of the nature and extent of trademark/brand dilution.

1.7 RESEARCH METHOD

1.7.1 Literature study

Secondary sources of information were explored to review the nature of trademark dilution and customer-based brand equity and to isolate an appropriate construct to measure the extent of trademark dilution. The secondary sources used in this study include: articles published in accredited and other journals, conference papers, legislation, academic books and other PhDs. For the literature study, the following databases were consulted:

EBSCOHost, Emerald, Sabinet Online Ltd, ScienceDirect, Google Scholar, and LexisNexis Law Databases.

1.7.2 Empirical study

In this section, a brief overview of the research method is provided.

1.7.2.1 Research design

Various research designs were considered. However, the research design selected to address the primary objective of this study is explanatory in nature. The purpose of the study is to investigate the influence of trademark tarnishing and blurring on customer-based brand equity components. The influence of trademark tarnishing and blurring on customer-based brand equity components is investigated by collecting information using an electronic and self-administered questionnaire at a specific point in time. The topical scope of the study is statistical.

1.7.2.2 Measurement

The questionnaire measured seven constructs. Each construct was operationalised based on previous research. The conceptualisation of each construct was based on theory and provided the bases for the existing scales used. Twelve identical questionnaires were designed that differed based on the trademark/brand respondents were exposed to. The questionnaires were electronic and self-administered. The pilot study was run three times to ensure that the questionnaires were executed correctly, for example that a trademark/brand image loaded before a question could be completed, and to assess the reliability of the measurement scales. The study used close-ended questions to collect data on the nature and effect of trademark dilution. Existing Likert and semantic differential scales were used to determine the effect of trademark dilution on components of customer-based brand equity.

1.7.2.3 Sampling

The target population of the study was defined as users or potential users of four trademarks/brands. Users or potential users should therefore have considered life insurance (Momentum), hotel accommodation (City Lodge), banking (First National Bank) and fast food (Nando's). As such, the target population had to be older than 30 years and be employed in a professional or managerial capacity. The definition of the target

population was appropriate as the primary objective of the study was to determine the nature and extent of trademark dilution using four different trademarks/brands divided according to the nature of their brand attitudes. A sampling frame was not available, and therefore a non-probability sampling method, convenience sampling, was used.

Twelve different questionnaires were formulated and each of the 12 groups should at least have contained 30 test units (Tustin, Ligthelm, Martins, & Van Wyk, 2005). A total of 3 441 individuals were surveyed and 412 of them completed questionnaires. Between 30 and 39 questionnaires were completed for each of the 12 groups.

1.7.2.4 Data collection

Data was collected by means of an online survey, administered by a software programme called Qualtrics. To obtain a sufficient number of responses for each of the 12 questionnaires, students from the University of Stellenbosch Business School as well as individuals on a list purchased from a direct marketer were contacted via email and recruited to participate in the study. The recruitment email informed respondents that participation was voluntary and that information was confidential.

1.7.2.5 Data analysis

A factorial research design was used to investigate the influence of trademark/brand dilution (independent variable) on components of customer-based brand equity (dependent variable). The effect of three trademark/brand factors (type of dilution; type of decision; type of motivation) with different levels on components and sub-components (affect, cognition, attitude valence and stability, attitude accessibility, purchase intention, brand familiarity, brand loyalty) of customer-based brand equity was investigated.

ANOVA F-tests and Fisher's Least Square Difference (LSD) tests were used to analyse the data pertaining to Hypotheses 1 to 4 because ANOVA explains what proportion of variation in the dependent variable (customer-based brand equity components) can be attributed to manipulation of the independent variable (trademark/brand). Hypotheses 1 to 4 addressed the question whether trademark tarnishing and blurring (independent variables) respectively has an effect on each of the seven components and sub-components of customer-based brand equity (dependent variable) of all trademarks/brands considered together as well as considered individually.

Mann-Whitney U tests were used to analyse the data pertaining to Hypotheses 5 and 6 because the tests allow for the comparison of characteristics of two populations without referring to population means. Hypotheses 5 and 6 addressed the question whether tarnishing and blurring (independent variables) respectively has different or similar, but varying in intensity, effects on each of the seven components and sub-components of customer-based brand equity (dependent variable) of individual trademarks/brands. Mann-Whitney U tests allowed for baseline corrections as the relative effect of tarnishing and blurring (independent variables) on components of customer-based brand equity (dependent variable) were investigated.

The software programme SPSS (IBM SPSS Statistics 20) was used to analyse the data for all six hypotheses.

1.8 CONTRIBUTION OF THE STUDY

The study developed a methodology to determine the nature and extent of trademark dilution, as a result of tarnishing or blurring. The methodology can be used by brand managers to determine the nature and extent of trademark dilution as well as by trademark attorneys who must prove a probability of substantial economic harm or a likelihood of dilution.

In developing a methodology to measure trademark dilution, the study developed an integrated conceptual construct of customer-based brand equity and trademark dilution that is unique to the requirements of investigating the nature of trademark dilution for both brand managers and trademark attorneys.

The integrated conceptual construct of customer-based brand equity and trademark dilution was operationalised to enable both brand managers and trademark attorneys to quantify or determine the extent of trademark dilution. If the extent of trademark dilution is quantified, brand managers can customise their responses to the infringement. Trademark attorneys can substantiate their recommendation to litigate or not, and if litigation is recommended, use the integrated conceptual construct to quantify the extent of trademark dilution. Understanding the nature of trademark dilution within the conceptual construct will also help in the formulation of legal arguments.

The conceptual construct of customer-based brand equity and trademark dilution provided by the study offers a new method of objectively verifying the nature and extent of trademark dilution.

1.9 FRAMEWORK OF THE STUDY

Chapter	Title	Main goal of chapter
1	Introduction	To provide a broad overview of the study.
2	Trademarks and brands: Fundamentals and protection	To illustrate the similarities between trademarks and brands. To explain trademark dilution legislation and judicial requirements in proving trademark dilution.
3	Conceptualising trademark value: customer-based brand equity	To explain how trademark value is conceptualised as customer-based brand equity. To justify the customer-based brand equity components used to determine the effect of trademark dilution on customer-based brand equity.
4	Evidencing trademark dilution	To provide an overview of methods used to measure and evidence trademark dilution.
5	Conceptualising trademark dilution: Brand attitude	To describe the conceptual model that will be used to measure the effect of trademark dilution on customer-based brand equity.
6	Research methodology	To describe the research method.
7	Empirical results	To examine the influence of trademark dilution on customer-based brand equity by means of ANOVA and Mann-Whitney U tests.
8	Findings, conclusions and recommendations	To present final conclusions and recommendations with regard to the influence of trademark dilution on customer-based brand equity.

1.10 TERMINOLOGY

The following terminology will be used in the study and can be defined as follows:

Trademark. A trademark is any mark used or proposed to be used by a person in respect of products or services for the purpose of distinguishing the products or services in respect of which the mark is used or proposed to be used from the same kind of product or service connected in the course of trade with any other person (Section 2 of the Trade Marks Act 194 of 1993).

Senior mark. A senior mark refers to a trademark registered in terms of the Trade Marks Act 194 of 1993 with the Registrar of Trademarks that is infringed, as set out in Section

34(1)(c) of the Trade Marks Act 194 of 1993, by a junior mark that is usually not registered. The senior mark is usually well-known to the general public (Kaseke, 2006).

Junior mark. A junior mark refers to a mark that is usually not registered and infringes upon a registered senior mark as set out in Section 34(1)(c) of the Trade Marks Act 194 of 1993. The junior mark is usually not well-known to the general public (Kaseke, 2006).

Dilution. Dilution is a specific form of trademark infringement and refers to the misappropriation of the advertising value of a senior tmark that result in the magnetism or drawing power and eventually the effectiveness of the senior mark being diluted as a result of use by a junior mark. Dilution implies that the selling power and advertising value of the senior mark decreased and that consequently the goodwill of the undertaking is infringed (Neethling, 2008).

Tarnishing. Dilution by tarnishing occurs when the offending use by the junior mark tarnishes the trademark typically where it is parodied or used in an offensive or negative connotation (Webster, Page, Webster, & Morley, 1997). Tarnishing has also been described as the damaging connotations that arise between the senior mark and the junior mark (Illsley, 2006). Dilution by tarnishing refers to detriment to the reputation of the senior mark (Rutherford, 2006) by making it less attractive (Pistorius, 2004).

Blurring. Dilution by blurring occurs when the offending use, typically in relation to non-competing products or services, dilutes the uniqueness and distinctive nature of the senior mark (Webster, et al., 1997). Blurring has also been described as a weakening of the senior mark's distinctiveness and ability to distinguish its source (Illsley, 2006). Dilution by blurring refers to detriment to the distinctive character of the senior mark (Rutherford, 2006) by making it less distinctive (Pistorius, 2004).

Anti-dilution protection. A senior mark that has been infringed, either by means of tarnishing or blurring, may request the High Court in the Republic of South Africa to provide relief in terms of Section 34(3) of the Trade Marks Act 194 of 1993. The court can provide relief with an interdict; an order for removal of the infringing mark from products and services; damages; and a reasonable royalty.

Brand. A brand is a name, term, sign, symbol, or design, or a combination thereof, that is intended to identify the products and services of one seller or group and to differentiate them from the products and services of competition. Brands may refer to products, services, retail stores, people, organisations, ideas and places and is therefore described as an entity that "...adds other dimensions that differentiate it in some way from other products designed to satisfy the same need" (Keller, 2003b, p. 4). For Aaker a brand is "...a distinguishing name and/or symbol (such as a logo, trademark, or package design) intended to identify the goods and services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors" (1991, p. 8). A brand therefore protects the brand owner as well as the brand user (customer) from competitors who would attempt to provide products that appear to be identical by signalling to the brand user (customer) the source of the product.

Brand equity. Brand equity is the value attributed to a product or service over and above what the product or service actually does. It is therefore defined in terms of marketing effects that are uniquely attributable to the brand and relates to different outcomes resulting from the marketing of the product or service as a result of its brand compared to the same product or service that had not been identified by that brand (Keller, 2003b). Brand equity can also be described as a set of brand assets and liabilities linked to the brand, its name and symbol that either enhances or depletes from the value provided by a product or service to the brand holder and brand users (Aaker, 1991).

Brand familiarity. Brand familiarity refers to who and what the brand is to brand users (Keller, 2003b). Brand familiarity is defined in terms of brand salience (brand identity) and brand performance and image (brand meaning). Brand salience in turn refers to consumers' brand recall and recognition. The way in which the product or service strives to meet consumers' tangible needs relates to how the brand's performance is perceived. The way in which the product or service strives to meet consumers' intangible needs relate to how the brand's image is perceived. For Aaker (1991), brand awareness is one of the five components of brand equity and brand familiarity is the third level of brand awareness, leading to brand preference. Brand familiarity precedes and drives brand attitude and brand attitude cannot exist without brand familiarity.

Brand attitude. Brand attitude refers to how consumers respond to the brand (Keller, 2003b). Brand attitude was conceptualised for the purposes of this study to consist of five

sub-components: affect, cognition, attitude valence and stability, attitude accessibility, and purchase intention (Maio et.al., 2010).

Brand affect. Brand affect refers to consumers' emotional responses and reaction to the brand (Keller, 2003b). An affective response consists of feelings, moods, emotions and sympathetic nervous system activity that people experience in relation to attitude objects (Eagly & Chaiken, 1993, p. 11) as well as remembered sensations according to Kim (2010) and Maio, Maio and Haddock (2010).

Brand cognition. Brand cognition refers to consumers' personal opinions and evaluations of the brand (Keller, 2003b). Cognition consists of beliefs, thoughts and associated object attributes about an attitude object, stored in and recruited from memory, in response to a stimulus, like a brand (Albarracin, Johnson, & Zanna, 2005; Maio, et al., 2010).

Attitude valence and stability. Attitude valence refers to the direction of the attitude, namely positive or negative (Maio, et al., 2010). Attitude stability refers to the importance and certainty or confidence with which the attitude is held (Haddock, Rothman, Reber, & Schwarz, 1999; Visser, Bizer, & Krosnick, 2006). Attitude certainty or –confidence refers to the amount of cognitive content supporting an attitude while importance refers to the amount of affective content supporting an attitude. Together with attitude accessibility, attitude valence and stability determines how strong an attitude is and how a consumer will behave as a result.

Attitude accessibility. Attitude accessibility is the strength of the association between an evaluated object, for example a brand, and its associated memory (Fazio, 1986). An attitude becomes accessible if there is a strong association between the evaluation of the attitude object and the mental representation of the attitude object (Maio, et al., 2010). If an attitude is highly accessible, the attitude can accurately predict behaviour.

Brand conation. Brand conation refers to what consumers will do as a result of their emotions and thoughts, and the valence, stability and accessibility of their attitudes (Maio, et al., 2010). How consumers behave is therefore referred to as the behavioural component of attitudes. Consumer behaviour was conceptualised as purchase intention for the purposes of this study (Agarwal & Malhotra, 2005).

Brand loyalty. Brand loyalty is the "...ultimate relationship and level of identification that the customer has with the brand" (Keller, 2003b, p.92). Loyalty refers to how often consumers purchased a brand and how much of the brand they purchased as well as how strong their personal attachment to the brand is. For Aaker (1991) brand loyalty is the core of brand equity and a measure of consumers' attachment to the brand. Brand loyalty directly translates to future sales, and when brand loyalty improves, vulnerability to competition decreases. Brand loyalty succeeds and results from brand familiarity and brand attitudes.

Customer-based brand equity: Consists of three components, brand familiarity that precedes brand attitude and brand loyalty that succeeds brand attitude. Brand attitude, is the primary component of customer-based brand equity and consists of five sub-components: affect, cognition, attitude valence and stability, attitude accessibility and purchase intention.

Different effects of trademark tarnishing or blurring. The effect of trademark tarnishing and blurring on a component of customer-based brand equity, for example affect, is described as different if the effect of trademark tarnishing is for example to make affect less positive while the effect of trademark blurring is to make affect more negative.

Similar, but varying in intensity, effects of trademark tarnishing and blurring. The effect of trademark tarnishing and blurring on a component of customer-based brand equity, for example affect, is described as similar but varying in intensity if the effect of trademark tarnishing and blurring on affect is to make affect more positive, but either trademark tarnishing or blurring had a greater relative effect. For example, trademark blurring made affect more positive than trademark tarnishing did and trademark blurring therefore had a greater relative effect on affect.

1.11 SUMMARY

The manner in which brand managers and trademark attorneys should respond to trademark dilution or prove trademark dilution to a court's satisfaction is a challenge. Success, especially where senior marks decide to litigate, has been unpredictable. The challenge was addressed by the current study that conceptualised a construct of customer-based brand equity and trademark dilution that could be used to determine the

nature and extent of trademark dilution. The formulation of the construct was based on a literature review that considered both customer-based brand equity and trademark theory. Empirical research operationalised the construct to illustrate the quantification of trademark dilution in order to illustrate detriment or harm to the trademark. The study made a theoretical contribution to the field of customer-based brand equity as well as intellectual property rights in the form of trademarks.

CHAPTER 2
TRADEMARKS AND BRANDS: FUNDAMENTALS AND PROTECTION

2.1 INTRODUCTION

The purpose of chapter two is to provide the background and motivation for the study undertaken. The first part of the chapter addresses trademark and brand fundamentals. Trademarks and brands are defined and their historical development and value-creating capabilities explained. The history of trademarks and brands is followed by a summary of the contemporary functions fulfilled by trademarks and brands. The part on trademark and brand fundamentals concludes with an integrative summary of the concepts trademark and brand and how these entities represent selling power and commercial magnetism.

The second part of the chapter discusses the manner in which trademarks/brands and the selling power and commercial magnetism they represent, are legally protected. A specific form of trademark/brand infringement, namely trademark dilution, is explained and contextualised from a South African perspective. Dilution from an international perspective is also briefly highlighted. Trademark/brand blurring and - tarnishing are discussed and illustrated from a national and international perspective. The manner in which the South African courts applied and interpreted trademark dilution (before 2006) is then briefly but critically analysed. The *SabMark International* case (*Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae)*, 2006 (1) SA 144 (CC)) heard in 2006 by the Constitutional Court which introduced the concept of a likelihood of substantial economic harm is then summarised and critically discussed. The *Moseley* case (*Moseley v Victoria's Secret Catalogue, Inc.*, 537 U.S. 418 (2003)), heard in 2003 by the United States of America Supreme Court is briefly highlighted where relevant. The chapter concludes with a summary and critical analysis of the elements of dilution.

2.2 DEFINING TRADEMARKS AND BRANDS

2.2.1 Trademarks

In the Republic of South Africa, section 2(1) of the Trade Marks Act 194 of 1993 as amended by the Intellectual Property Laws Amendment Act 38 of 1997 (Trade Marks Act 194 of 1993 as amended by Intellectual Property Laws Amendment Act 38 of 1997 of

South Africa) defines a mark as "...any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for products or any combination of the aforementioned". A trademark is "...a mark used or proposed to be used by a person in relation to products or services for the purpose of distinguishing the products or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the course of trade with any other person". Section 1(1) of the Trade Marks Act 1994 in the United Kingdom (Trade Marks Act 1994) defines a trademark as "...any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings" and provides that a trademark may consist of "words (including personal names), designs, letters, numerals or the shape of goods or their packaging". In the United States of America, section 1127 of the United States Trademark Act (the Lanham Act) of 1946 as amended (Trademark Act (Lanham Act) of 1946), includes in the term 'trademark' any "word, name, symbol or device, or any combination thereof (1) used by a person, or (2) which a person has a *bona fide* intention to use in commerce and applies to register on the principal register established by this Act, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown".

These definitions of the term 'trademark' are similar in content as well as form. This is because Trade Marks Act 194 of 1993 was drafted to discharge international obligations (the Agreement of Trade-Related Aspects of Intellectual Property Rights - 'TRIPS Agreement') and to ensure conformity with similar legislation elsewhere (the First Council Directive of 21 December 1998 to Approximate the Laws of the Member States Relating to Trade Marks (89/104/EEC) - the 'EC Directive') and the Trade Marks Act of 1994 (c 26) in the United Kingdom (Kelbrick, 2006, 2007; Mostert & Baeumer, 1997; Webster, et al., 1997). The United States of America statute is also in compliance with article 6*bis* of the Paris Convention and with articles 16(2) and 16(3) of the TRIPS Agreement (Mostert & Baeumer, 1997). These conformities and compliances resulted in the concept trademark being to a large extent a concept that is internationally similar with only slight cosmetic differences between countries. The character and nature of trademarks as judicial construct and immaterial property bears a striking resemblance to a concept that is well known in marketing, namely brand.

2.2.2 Brands

A product is "...anything that can be offered to a market to satisfy a want or need" (Kotler & Keller, 2006, p. 372). As such, marketed products can be tangible, for example physical products like shampoo, as well as intangible, for example a service such as banking. A product offers a benefit perceived to be utilitarian by consumers (McEnally & De Chernatony, 1999). A brand on the other hand is "...a name, symbol, design, or mark that enhances the value of a product beyond its functional [utilitarian] purpose" (Farquhar, 1989, pp. 24-25). As such, the brand can simultaneously be described according to Kapferer (1992) as a symbol (logos, emblems, colours, shape, packaging and design), a word (brand name), an object (product) and a concept (meaning). A brand is therefore not only "...the actual product, but it is also...a set of values and attributes – both tangible and intangible – which meaningfully and appropriately differentiate products which are otherwise very similar" (Montameni & Shahrokhi, 1998, p. 275). The set of values and attributes are communicated via brand elements such as brand names, logos, symbols, characters, slogans, jingles and packages (Keller, 2003a). These brand elements are usually selected based on their ability to create value (criteria includes memorability, meaningfulness and likability) as well as leverage - and preservation value (criteria includes transferability, adaptability and protectability). The tangible values and attributes refer to how the product performs while the intangible values and attributes refer to what the brand represents in the consumer's mind (Kotler & Keller, 2006), usually driven by marketing programs developed by the brand holder.

The tangible – and intangible values and attributes of a brand can be described according to the perspective from which the brand is approached: strategy - (Aaker, 1996) or customer-based (Keller, 1993). The customer-based perspective of the brand refers to the relationship between a customer and a brand while the strategy-based perspective refers to the result a brand aspires to create. The American Marketing Association conceptualises a 'brand' from strategy-based perspective as a "...name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors" (Wood, 2000). A later definition, also by the American Marketing Association, again from the strategy-based perspective adds that "... [a] brand may identify one item, a family of items, or all items of that seller" (Brand, 2009a). The strategy-based conceptualisation of 'brand' by the American Marketing Association with its key premises 'identification' and

'differentiation' corresponds substantively with the definition of 'trademark' as described in paragraph 2.2.1 above.

Early work by Gardner and Levy (1955) recognised the importance of the relationship between customers and brands. They point out that for consumers a product has both social and psychological dimensions, satisfying a "...particular constellation of goals and attitudes" that may be called a brand (Gardner & Levy, 1955, p. 34). The most popular contemporary conceptualisation of the brand using the relationship between the consumer and the brand is probably provided by Keller, describing it as "...a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same need" (Keller, 2003a, p. 4). The key premise of trademarks, namely identification and/or differentiation is also reflected in the definition of the concept brand from a customer-based perspective. Wood (2000, p. 666) offers an integrated definition of 'brand' that encapsulates the conceptualisation thereof from both perspectives: "[a] brand is a mechanism for achieving competitive advantage [value] for firms, through differentiation (purpose). The attributes that differentiate a brand provide the customer with satisfaction and benefits [value] for which they are willing to pay (mechanism)". The terms brands and trademarks therefore refer to the same conceptualisation and are terms that can be used interchangeably and serve to identify and/or differentiate products and services.

2.3 HISTORICAL DEVELOPMENT OF TRADEMARKS AND BRANDS

The development of trademarks and brands as associated and connected entities serving as product and/or service identifiers and differentiators can be traced back to antique times, through the middle ages and early modern times to modern day (History of the world, 2009). The summary below summarises the historical development of trademarks and brands.

2.3.1 Antiquity (8000 BC to 476 AD)

Sealing practices (the use of images or symbols on products) dates back to 8000 BC. These seals served a dual purpose: it served to physically seal the container and secondly the seal itself served as an archival record of transactions as well as a form of bureaucratic control over what was perceived to be a vital social commodity (Wengrow, 2008). The use of sealing practices soon evolved into a system of commodity branding. By 4000 BC standardised packaging started to play a central role in the emergence of the world's first

large-scale economies (U.S. Trademark History Timeline, 2008). Seals did not function in insolation as administrative devices anymore, but functioned across different spheres of economic activity as signifiers of product identity. By 3000 BC proto-cuneiform script on products indicated levels of quality control, differentiating specific products from similar offerings. Clay tablets found in Egypt (Wengrow, 2008) bears striking resemblances to our present day understanding of the concept brand as it indicated quality control, the identity of the controller, the region from where the product emanated, the identity of the producer and the name of the reigning sovereign. The signage on these tablets served multiple purposes as opposed to previous singular purposes: it indicated the origin, identity and quality of the product as well as the origin of production. The potters' seals found on pottery near Corinth dating back to 2000 BC (Ramello, 2006), appearing to be signs that indicate the quality of workmanship. The first evidence of the abuse of potters' seals (or trademarks/brands as they are referred to today), for the commercial benefit of someone other than the original producer, dates back to 800 BC. Greek inscriptions were found on Etruscan (Italian and Corsican) vases raising the question as to whether or not the vases were truly Greek or if the Etruscan potter copied a celebrated Greek potter's seal.

By the onset of the Roman Empire in 27 BC marks (for example circles, half-moons, a print of a human foot, wheels, palm branches, vine leaves) appeared on a variety of products (for example bricks, pottery and silk imported from China), applied by a diverse mix of interested parties (Ramello, 2006). However, although no evidence confirms legal regulation of such marks and their protection (Blackett, 1998; Rogers, 1910) it is difficult to image the absence thereof in the light of the relatively advanced Roman judicial system of the time. For example, in terms of the *Lex Aquilia*, damages caused by unlawful actions could be instituted from as early as 286 BC. In South Africa damages caused by trademark infringement is claimed based on delictual liability (see Appendix A Taxonomy of trademark law in the Republic of South Africa), and an action called the *actio legis aquilia* is instituted that originates from the *Lex Aquilia*. The manner in which marks were used on Roman bricks are especially instructive as it has been said that '...from a very early date they were used exactly as [brands] are today, to indicate the origin of the article" (Rogers, 1910, p. 30). With the collapse of the Roman Empire in 476 AD, its sophisticated system of trade and industry, and by implication the legal system that governed it, also disintegrated.

2.3.2 Middle Ages (476 AD to end of 15th century)

During the Middle Ages long distance trade routes were used to transport merchandise to consumers in distant markets. As a result, distribution channels became more complex as merchandise was sold and resold between manufacturers, merchants and retailers separated geographically by hundreds of miles. These logistics caused two major problems for manufacturers: adverse selection (if one of the parties to a transaction had more or better information than the other party in respect of for example the quality of the merchandise) in the first instance and counterfeit products in the second instance (Richardson, 2008). Should the end buyer purchase an unsatisfactory or defective commodity either because of adverse selection or because he was deceived with regards to the origin or content of the commodity, he was without any remedy. Not only did the end buyer not know what to do, how he could do it and when, he was also not able to communicate his problem to the party responsible for the unsatisfactory *status quo*.

In order to overcome the problems of adverse selection and counterfeit products, marks were increasingly used, first nationally then internationally, from the 12th century onwards. These marks were primarily used by trade guilds (hence the use of the concept 'trade mark') and their members (with the exception of marks used by royalty) through which medieval trade was largely conducted (Farquhar, 1989). The marks used by the trade guilds were called regulatory or production marks and indicated the source or origin of manufacture. The marks used by individual merchants in their personal capacity were called proprietary or merchants' marks and indicated ownership of the commodity to which they were attached. The same mark could be used to perform both functions simultaneously, but the proprietary or merchants' marks were optional and only protected the individual reputation of the producer while the regulatory or production marks were compulsory and protected the collective reputation of the trade guild (Schechter, 1925, 1927). The trade guild protected its reputation through quality control of merchandise (compensating for adverse selection) and endowing its merchandise with conspicuous characteristics (combating counterfeit products). The phrases used to communicate these conspicuous characteristics to consumers became the pre-Industrial Revolution brands (Richardson, 2008). These phrases represented a reputation that in turn influenced consumer decision-making, product prices and manufacturing profits.

2.3.3 Early modern period (end of 15th century to 1750)

The early modern period (1500 – 1750), after the Middle Ages and before the Industrial Revolution, marks the first report in 1656 of a trademark case (*Southern v. How*) in England. This case became the authority relied upon by English courts since to establish "...the antiquity of their jurisdiction to prevent trade-mark piracy" (Schechter, 1925, p. 9). However, at the end of the early modern period, trademarks were still only regarded as brands that served to identify, point out defects and indicate the good qualities of the source of production from which they emanated. This may be because trademarks as an entity had limited legal status and were protected in an inefficient and inconsistent manner. However, the situation was soon to change as a result of the Industrial Revolution. In the era of the Industrial Revolution and afterwards, brands developed exponentially into signifiers and representatives of value, receiving increased legal protection as competition increased.

2.3.4 The Industrial Revolution (1750 to 1850)

Several macro-environmental forces, driven by the Industrial Revolution, made it possible to manufacture products of consistent quality that could be distributed and sold nationally using mass market advertising (Keller, 2003b; Low & Fullerton, 1994). Firstly, transportation and communication made regional and national distribution increasingly easier with the expanding railroad system, telegraph, faster postal service and telephonic contact. Improved production processes were inexpensive and resulted in mass produced products of consistent quality in the second instance. Thirdly, individually packaged products identifiable with a particular manufacturer and his brand became more viable. The changes in trademark law in the United States of America in the fourth instance made it easier to protect trademarks and the brands they represented. As advertising grew more credible and magazines relied on advertising revenue to a larger extent, advertising became the vehicle through which brands were advertised resulting in increased market share in the fifth instance. In the sixth instance, new retail institutions, for example department stores and mail order, were introduced that could be used to encourage consumer spending through product purchases. In the seventh instance, because of urbanisation and industrialisation in the United States of America specifically, it became the norm to purchase everyday products as opposed to self-producing them and branded products had the advantage as they were known to consumers though not always of a consistent quality. Changing social and historical conditions in England also contributed to the emergence of modern day brands.

The historical development and management of brands since the start of the Industrial Revolution to modern day can be divided into four categories (Keller, 2003b, pp. 52-55): manufacturer brands (1860 – 1914); mass marketed brands (1915 – 1929); challenges to manufacturer brands (1930 – 1945) and brand management (1946 – present day).

2.3.5 Manufacturer brands (1860 – 1914)

Manufacturer brands were primarily developed and managed by its owners. The development and management of manufacturer brands are illustrated by the example of Ivory soap, a product of the Procter & Gamble company (Aaker, 1991). The name of the brand 'Ivory' was heard by one of the founders of the Procter & Gamble company, Harley Procter, in an 1879 church sermon. The name was used two years later to brand soap with particularly pure qualities and 'floating' attributes via advertising that accentuated the former and positioned the brand as consumer-friendly. Other examples of owner-driven brand development and management include H. J. Heinz of the Heinz brand and A. G. Candler of the Coca-Cola brand. In the former instance H. J. Heinz spent much of his time to advance production and develop promotions to build the brand. In the latter instance, A. G. Candler dedicated himself to organising national distribution and even designed and assembled the brand's own advertising agency (Low & Fullerton, 1994).

As the use of brands increased by both manufacturers and consumers, so did the imitation thereof on counterfeit products. Legislation, although at times inefficient and ineffective, was increasingly relied upon for protection after brand owners registered corresponding trademarks for their brands. The first trademark in England was registered for Bass & Company and consisted of a red triangle (Trademarks, 2009). Lyle's Golden Syrup was also registered around this time and the green and gold packaging has remained unchanged since 1885 (Brand, 2009a; Brand, 2009b). The first trademark, an eagle used for paints by Averill Paints, was registered in the United States of America in 1870, but, it is no longer in use (Trademarks, 2009). The first statute for trademark registration in the United States of America was passed in 1870, held to be unconstitutional and re-enacted in 1876 (Schechter, 1925). Eventually, trademark law was put in effect in the United States of America in 1905 (Rogers, 1910). The Nestle Eagle Brand for condensed milk was the first trademark registered in Hong Kong in 1874 and in Japan in 1884 a design of a seated figure was registered for pills and wound dressings (Trademarks, 2009). The first trademark in Australia was registered in 1905. The trademark is a pine tree logo that is still in use by Fisons plc for chemicals (Trademarks, 2009). As the Industrial Revolution gained

momentum, so did the importance of trademarks as assets of value and the law protecting it. In the late nineteenth and early twentieth century all multinational companies in the United States of America and Europe sold trademarked products and these trademarks were protected via statutes, rules and court decisions (Wilkins, 1992). Manufacturer brands were thus the result of owner-managers' efforts to built powerful multi-national brands and obtain legal protection to preserve the value it created.

2.3.6 Mass marketed brands (1915 - 1929)

By 1915 manufacturer brands for products such as soap and canned food were well established in American consumer life as the acquisition thereof had become central to the individual's aspirations in life due to the influence of intensive brand advertising. Companies were built and relied increasingly on successful brands to satisfy customer demand. As companies evolved, organisational management changed fundamentally, implying a concomitant change in the management of brands. The management of brands was passed on from the owner-entrepreneurs of the previous era, who retired, died or declined to carry the mounting responsibilities of the brands' management, to managers of the current era who worked more closely with advertising agencies (Aaker, 1991; Low & Fullerton, 1994).

Management of both the organisation and the brand were now based on function. This meant that for brands specifically, production, promotion and personal selling were entrusted to separate executives with specialised functional expertise cooperating with each other across functional specialities. These executives made systematic and knowledgeable decisions to improve the effectiveness of brand management as opposed to the intuitive and reactive approaches of owner-entrepreneurs of the previous era. Marketing techniques (Aaker, 1991; Low & Fullerton, 1994), for example primary and secondary market research to segment consumers, became more sophisticated and also enabled organisations to eliminate brands from their repertoire that had weak market potential. However, with the onset of the Great Depression in 1929 in the United States of America specifically, cynicism against advertising started to develop among educated segments of the consumer public as they became weary of manufacturers who created needs that did not exist in markets that could not afford to satisfy these needs either. As a result, the American government put industry regulation in place to reduce deceptive advertising (Keller, 2003b).

During this time Frank Schechter (Schechter, 1925, 1927) wrote 'The historical foundations of the law relating to trademarks' and 'The rational basis of trademark protection'. In these works the author examined the historical development of trademark law, the functions of trademarks, the origin of trademark protection, the protection provided by the trademark and the value of trademarks. The author concluded that the only rational basis for the protection of trademarks is the preservation of the uniqueness of the trademark. These works written in the early 20th century explained the basis of trademark protection and most subsequent work on trademarks use these articles as foundation.

Concomitantly to the development in trademark law the mass marketing of brands became a reality. Brands became value creating entities, valuable to consumers as well as brand owners and as the competition amongst brands increased, brands needed to be increasingly identifiable and distinctive. As a result, trademark infringements, or piracy as referred to by Schechter (1925, 1927), increased and trademark law needed to adapt. Brands also started to be managed by functional managers who could affect distinctive advertising strategies based on researched segmentation variables to communicate individuality and distinctiveness.

2.3.7 Challenges to manufacturer brands (1930-1945)

The Great Depression made consumers more price sensitive in terms of which retail brands to respond to. As a result, weaker manufacturer brands were threatened as consumer market power increased. Manufacturer brands also came under increased pressure as their advertisements were perceived as deceptive in order to inflate prices. In response to consumers' increased market power and the perception of deceitfulness, Procter & Gamble developed a brand manager system where each brand of the company was managed by its own brand assistants and managers, focusing on an individual brand's advertising and marketing activities. The brand manager system was however not widely adopted by other companies who stuck with functional brand managers, relying on their reputation and consumer knowledge to maintain brand support (Low & Fullerton, 1994). Trademark law in the United States of America kept pace with the changing environment. It was now also possible to register service – and collective marks (Keller, 2003b), not only manufacturer – or product brands, as the economy boomed after World War II, and the brand manager system became even more widely accepted.

2.3.8 Establishment of brand management standards (1946 – present day)

After World War II, the brand management system was gradually adopted by most large consumer-packaged product manufacturers. This was a result of several interplaying factors (Low & Fullerton, 1994). The most important factor is brand management systems simplifying product and service management as complexity increases due to diversification, Brand managers are responsible for developing and implementing the annual marketing plan for their assigned brands as well as identifying new business opportunities while being assisted by internal and external representatives (Keller, 2003b). The prevalence of the brand management system is testimony of its effectiveness and efficiency and as such prevails as brands become even more important in the manner products and services are consumed and used (Klein, 2000).

In the era after World War II, personal income grew and birth rates increased resulting in the suburban middle class growing larger world-wide. The demand for national products imcreased as advertising on national television, especially in the United States of America, stimulated brand awareness while department stores promoted all manufacturer brands at discount prices. It was during this post World War II period that the social and psychological nature of products were recognised and discussed for the first time (Gardner & Levy, 1955). According to Gardner and Levy (1955), a product has a character which means it serves certain human needs in a particular way and that this character needs to be taken into account when the brand is advertised. As the 20th century progressed, the nature and management of brands became increasingly specialised as competition between brands intensified. The trademark legislation that developed to accommodate an increasingly competitive economy and a particular form of contemporary trademark infringement, namely dilution, is discussed below.

Trademarks and brands developed as associated and related concepts. In order to understand exactly how trademarks and brands are protected by trademark legislation today, it is first necessary to investigate what exactly is being protected, namely what functions do trademarks and brands serve that is worthy of legal protection.

2.4 FUNCTIONS OF TRADEMARKS AND BRANDS

2.4.1 Trademarks

A trademark serves several socio-economic functions (Kaseke, 2006). These functions include the source-origin or identification function, the product differentiation-distinguishing function, the quality guarantee function, the advertising function and purchase stimulating function. However, authors agree to a lesser and greater degree, as explained by Kaseke (2006), on the independence and inter-dependence of these functions. It is not the purpose of this study, however to investigate the judicial arguments for and against trademark function independence and inter-dependence but rather to illustrate the functions the trademark performs in order to demonstrate the merit of legally protecting such an entity.

2.4.1.1 The source origin or identification function

The source origin or identification function aids the consumer in distinguishing between similar products and services offered by multiple manufacturers (Schwarz, 2004). The source-origin function in its original sense had a narrow and limited meaning as it referred to a concrete and specific business, or single source, from which the products or services emanated. As trade expanded and became more complicated, the abstract origin function, namely identification, started to function in conjunction with the concrete origin function, the former referring to a single source guaranteeing the quality of a product. The trademark therefore served the purpose of protecting the consuming public and trademark owner from other products or services displaying a deceptively similar or confusing trademark on counterfeit products, not being of the same quality as the 'original' products but being passed off as such. According to Schechter (1927) the function of the trademark to indicate origin or ownership of products was more relevant to the 16th century when it was necessary to inform consumers of the actual source or origin of products. Gradually, as economic activity expanded, especially during the 20th century, the source origin or consistency identification function became the product differentiation-distinguishing function (Kaseke, 2006).

2.4.1.2 Product differentiation-distinguishing function

The product-distinguishing function distinguishes the product of one trader from the product of other traders. Kaseke (2006) believes that the function can be interpreted in one of two ways. In the first instance, it may be argued that the product-distinguishing function

is only concerned with the ability of the trademark to distinguish the product of the trademark owner from the products of other owners. In the second instance, it is posed that the product-distinguishing function is to differentiate the owners of products from each other. Based on the second argument, Kaufman (in Kaseke, 2006) contends that the identification of products by consumers in a trademark-differentiated market has three important consequences that is the essence of the source-origin function. Consumers are firstly better able to judge the quality of products as they can tell products apart. Secondly, producers must maintain product quality standards in order to retain customers because producers can be identified. Thirdly, competitors can increasingly undermine the sales of each other's products by either underselling another producer through competitive pricing or through unfavourable product quality comparisons, which leads to the quality guarantee function of a trademark.

2.4.1.3 The quality-guarantee function

The true functions of a trademark according to Schechter (1927) are to identify a product as satisfactory (quality-guarantee function) and as a result stimulate further purchases (advertising and purchase stimulating function). Many different views seem to exist regarding the question whether the quality-guarantee function is a legal function on not (Kaseke, 2006). However, it is not the purpose of this study to pursue these different opinions but rather to summarise by describing a trademark as symbolising an association held by consumers that relate to the relationship between products and services and the quality thereof. The function of the trademark is thus to guarantee, in this instance, that the quality of products and services on which it is displayed conforms to the consumers' expectation thereof (the quality-guarantee function). In assuring purchasers of a certain degree of uniformity and quality of products and services, the function of the trademark as guarantee of quality evolves to become a symbol of goodwill and "...an agency for the actual creation and perpetuation of goodwill" (Schechter, 1927, p. 818).

2.4.1.4 Advertising and purchase-stimulating function

The trademark imprints "...upon the public mind an anonymous and impersonal guaranty of satisfaction, creating the desire for further satisfactions" (Schechter, 1927, p. 819) and as such actually sells the product or service. The trademark as symbol of goodwill and guarantee of quality is communicated via advertising to the public to not only create an association between a service or good displaying the trademark, but also to improve the association if it already exists (Schechter, 1927). The creation and communication of

associations via for instance advertising requires considerable investment and the collective effort of creation and communication results in value intrinsic to the trademark. The advertising function is of specific importance to the trademark owner as it helps him to promote and publicise products and services he offers. Once a trademark is identified, it is purchased because it guarantees a particular quality, advertised through various media that required a substantial investment. The advertising and purchase-stimulating function of a trademark can be summarised as consisting of the communication of the intrinsic value (goodwill or commercial magnetism and selling power) of the trademark that required substantial investment.

In summary, the trademark represents a set of associations that relates to its origin and that is usually also a guarantee of its quality. As such, the trademark serves as identifier and differentiator from competitors. The guarantee represented by the trademark is communicated via advertising with the purpose to stimulate purchasing and its design and execution requires considerable investment. The trademark therefore acquires intrinsic value that over years becomes the subject of legal protection. Traditionally trademarks protected consumers from confusing trademarks that diverted them from purchasing the products or services of the trademark they originally intended to purchase. Trademarks also protected the owner of the original trademark from the possibility of lost sales because consumers were misled into purchasing the competitor's products or services. Today, the goodwill inherent to the trademark is also protected by dilution legislation that is discussed under 2.5.

2.4.2 Functions of brands

The primary function of a brand is to endow a product or service with value. When market performance improves and shareholder value increases, value has been added on an economic level. Market performance and shareholder value are collectively referred to as macro brand considerations and measured based on accounting practices (Keller, 2002; Wood, 1996). If brand knowledge that refers to brand familiarity and – imagery, brand attitude and brand loyalty improves, value has been added on a marketing level. Brand knowledge, attitude and loyalty is referred to as micro brand considerations and measured based on marketing considerations (Keller, 2002; Wood, 1996). This study uses micro brand considerations to conceptualise and operationalise trademark/brand dilution as micro brand considerations provide the theoretical principles necessary to not only quantify

but also qualify trademark dilution. Macro brand considerations (market performance and shareholder value) are therefore not further discussed.

Brand knowledge can be described as a lower level value creator while brand attitude and loyalty can be described as higher level value creators (Keller, 2003b). Brand knowledge is a lower level value creator because it refers to the knowledge a consumer has of a brand. The identity of the brand as defined in terms of its salience to the consumer and the meaning of the brand in terms of its performance and imagery associations is collectively called brand knowledge. Brand attitude and brand loyalty describe how the consumer uses brand knowledge and is thus referred to as higher level value creators. Brand attitude is the response consumers have towards the brand defined in terms of what consumers think and feel about the brand, what they plan to do as a result of these thoughts and feelings, how strong these thoughts and feelings are and quickly they can be recalled. Brand loyalty describes how the brand resonates with the consumer and as a result the relationship a consumer has with the brand. Brand attitude (brand response) and brand loyalty (brand resonance) influence consumer-behaviour directly while brand knowledge (brand identity and image) only does so indirectly.

The value provided by a brand, in the light of the above, is to provide a product or service with identity and meaning (brand knowledge), endow it with thoughts and feelings that elicit a response (brand attitude) and consequently form a connection with consumers that results in a long term relationship (brand loyalty). Brand knowledge, brand attitude and brand loyalty can be referred to as brand building blocks and is a “...sequence of steps, in which each step is contingent on successfully achieving the previous step” (Keller, 2003b, p. 75). Once these four steps have been completed, customer-based brand equity is created (discussed in full in Chapter 3) and if customer-based brand equity becomes sufficiently ‘strong’, the brand can fulfil additional functions or effects (Keller, 2002). The four sequential steps (identity, meaning, attitude and loyalty) can be described as the brand’s direct functions, purpose or goals. The related effects can be described as the brand’s indirect functions that result from or describes what the successful achievement of the direct functions leads to. The related effects refer to product, price, communication and channel and are particularly relevant to ‘strong’ brands (a term that is discussed in Chapter 3).

2.4.2.1 Product-related effects

Brand attitude transfers between products within a product line, implying that brand name influences consumer product evaluations, perceptions of quality and purchase rates (Day & Deutscher, 1982). This effect relates directly to the function of a trademark to be a guarantee of quality and stimulate purchases. A further illustration of how brand name influences consumer product evaluations, perceptions of quality and purchase rates is the concept of umbrella branding. An existing brand name of an established product is used to introduce a new product and the existing brand name thus signals quality inferences about both products (Wernerfelt, 1988). This transfer of reputational economies of scope is a product-related effect of brand attitude and demonstrates the advertising function of trademarks. Rao and Monroe (1989) showed that a relationship existed between brand name, perceived product quality and the enhancement of price effect which means that if a certain brand is thought to be of sufficient quality the brand can demand higher prices. However, this relationship does not hold true for infrequently purchased, higher priced consumer products (Dodds, Monroe, & Grewal, 1991). A brand with more unique product features also increases the brand's preference and market share (Feinberg, Kahn, & McAlister, 1992) confirming that increased differentiation (the uniqueness of the brand's meaning) results in economic benefits. In this example of unique product features, the trademark function of differentiation is relevant. There is also a correlation between how positive a company is evaluated, how positive its products are evaluated and the revenues the company subsequently generates (Brown & Dacin, 1997). If brand attitude, how the company is judged and how consumers feel about the company, is positive, it results in economic benefits, underscoring the quality-guarantee and purchase-stimulating function of trademarks.

2.4.2.2 Price-related effects

The price-related effect is the reward yielded by a brand with identity, meaning, attitude and loyalty. It is an indirect function exclusive to brands but implied by trademarks. The functions of trademarks and brands combine to result in a price-related effect. If a brand does not convert its identity, meaning, attitude and loyalty into a price-related effect it loses its reason to exist. One price-related effect is that a brand commands higher prices (Simon, 1979). A brand with strong brand loyalty also need not offer large price discounts (Agarwal, 1996) while high-priced brands can also affect the sales of low-priced brands if the high-priced brand is discounted. Furthermore, leading brands need not even discount their prices to a price level below the price of national brands in order to compete with

them (Sethuraman, 1996). Another price-related effect is that strong brands are as a general rule immune to price increases. Bucklin, Gupta and Han (1995) showed that high-response segments are more immune to price increases than other segments, accentuating the importance of brand loyalty in price increase immunity. Furthermore, Sivakumar and Raj (1997) illustrated that high-quality brands are generally less adversely affected by a price increase than are low-quality brands. A third price-related effect is that superior brands draw a disproportionate amount of share from smaller competitors (Russel & Kamakura, 1994) as consumers respond asymmetrically to price promotions (Allenby & Rossi, 1991): consumers were more likely to switch to superior brands as opposed to inferior brands when price is reduced. Superior brands also draw significant share from loyal segments of the inferior brands as a result of, for example, a price promotion, but the converse is generally not true (Grover & Srinivasan, 1992). Fourthly, a brand is relatively immune to price competition. For example, the rate at which price elasticities increase is smaller for leading brands compared smaller brands (Bemmaor & Mouchoux, 1991; Blattberg & Wisniewski, 1989). Finally, the consumers of a brand have lower levels of price sensitivities because brand awareness is increased, similarities with other brands is reinforced (Kanetkar, Weinberg, & Weiss, 1992) and unique and positive promotional messages aimed at brand differentiation are communicated (Boulding, Lee, & Staelin, 1994). Provided that a brand fulfils its direct functions first, price-related effects are realised that demonstrates the totality of brand function.

2.4.2.3 Communication-related effects

Positive feelings toward the brand positively bias evaluation of brand advertising indicating that brand attitudes are inter-correlational (Brown & Stayman, 1992). Consumers are also more likely to have a negative reaction to advertising repetition in the case of unknown as opposed to strong or well-known brands (Calder & Sternthal, 1980 and Campbell & Keller, 2002 in Keller, 2002). Kent and Allen (1994) showed that familiar brands withstand competitive advertising interference better and that consumers appear to better remember new product information for familiar brands. Low-loyalty brands show little impact as a result of increased advertising but purchases for high-loyalty brands increased if advertising also increased (Raj, 1982). Familiar brands, for which consumers have a positive attitude and high levels of loyalty, have communication advantages as communication initiatives need not focus on building brand awareness and image (lower level brand value creators), instead focusing on brand attitude and loyalty (higher level value creators).

2.4.2.4 Channel-related effects

Brands that are familiar, carry meaning, elicit positive attitude and strong brand loyalty helps the acceptance of the brand in the channel (Keller, 2002). Kapferer (1997) uses the example of Levi Jeans to demonstrate how a strong brand can be selective and prescriptive in its distribution. He (Kapferer, 1997) proceeds to point out that brand value is not only effected in the product, price and communication elements of the marketing mix, but also in the purchasing act and future behaviour of the customer. Strong brands have leverage in the distribution channel because like customers, distributors prefer dealing with a brand that is easily recognised and whose brand meaning is known.

2.4.3 Summary

The identification or source-origin function of a trademark corresponds with the identification, awareness or familiarity function of a brand. Similarly, the differentiation-distinguishing function of a trademark is similar to the meaning function of a brand and the quality-guarantee function to brand attitude and some dimensions of brand meaning. The purchase-stimulating function of trademarks is an amalgamation of all the brand functions and what the latter should effect in. The four effects of brands relate to price, product, communication and distribution channel. In turn, the advertising function of the trademark corresponds to both the communication-related effect of the brand as well as the product, price, distribution channel and communications elements of the marketing program developed to execute the brand identity, meaning, attitude and loyalty.

The concept ‘trademark’ is a legal term primarily used by the legal community, demarcated by law and interpreted by the judiciary. In contrast, the concept ‘brand’ is a term used by marketers and consumers, broader and less well-defined compared to the concept ‘trademark’. The process used to create and manage a brand is called ‘branding’ and refers to the variety of marketing techniques that integrates a trademark with a business strategy in order to create a unique image for the general public, referred to as the brand. Trademarks are static in nature while brands are dynamic (Magid, et al., 2006). This is because trademarks exist in a supposedly objective environment demarcated by law, while brands are subjective in nature because they depend on consumers’ perception.

Although trademarks and brands both designate source, brands convey information about the trademark behind the brand, other trademarks supporting the brand, any family of marks, domain names, sub-brands, product packaging, the manufacturer and its trade

name, advertising of the product, distribution of the product, celebrity endorsements, shelf displays at retailers and/or displays on the Internet. This information forms part of the public domain of knowledge associated with a particular product, service or company of which certain portions are protectable under trademark law and others not. For example, certain functional elements of a product, like the colour of its packaging, may not be protectable under trademark law even though it forms an integral part of the brand's image. This may be because the visual images used by brands to communicate information can seldom be empirically proven or disproven (Bently, Davis, & Ginsburg, 2008). As such, and because trademarks represent the legal foundation or protectable entity of the brand, the line between trademarks and brands often blurs (Freno, 2007).

All brands are not trademarks, but most trademarks are brands. This may be because a brand, bar some exceptions, needs to be registered according to appropriate law as a trademark in order to be awarded with legal protection. As soon as a trademark is registered according to appropriate law, it awards the owner of the registered trademark with a legal monopoly on the trademark. The primary purpose of a legal monopoly provided by the trademark is to preserve a trademark owner's brand value. However, owning a trademark for a brand is not an absolute guarantee that the trademark will enjoy unchallenged and unqualified protection. Recent statistics in the US show that a trademark holder filing a trademark case have a slightly better than 50% chance of succeeding on the merits of the case, a 55% chance of obtaining an injunction (interdict) if demanded and only a 5.5% chance of receiving any damages at all (Port, 2008).

The next section explores the manner in which a trademark/brand is protected and the exact nature of a specific form of infringement called dilution.

2.5 DILUTION LEGISLATION

A brand is protected by registering it as a trademark. Trademark legislation, be it in respect of the Republic of South Africa or abroad, usually defines and dictates, *inter alia*, what a trademark is, its function, registration requirements, effect and duration of registration and infringement of a trademark. The infringement of a trademark and specifically an act of infringement that relates to unauthorised use of a well-known registered trademark in relation to any products or services that is detrimental to the distinctive character or reputation of the registered trademark is called dilution. Dilution is a specific form of

trademark infringement that restrains the selling power and commercial magnetism (goodwill) of the trademark which was effected through substantial investment.

Schechter (1927) conceptualised dilution as an interference with the uniqueness of a trademark, which was the key to its selling power. The effect of interference with the trademark's uniqueness was pointed out and explained many years later by Anderson's (1983a, 1983b) cognitive model of associative network memory. In terms of this model, a single term, like a brand name, called a concept (node), activates multiple, non-confusing associations or meanings in the consumer's mind. Meanings and concepts are linked in this network: links activate concepts, in turn activating related concepts. Activation through key words like a brand name should happen frequently to reinforce concepts otherwise they disintegrate. If, according to Tuchnet (2007) a non-confusing yet similar mark to the famous mark adds new associations to the pre-existing network, processing time slows down, especially if the junior mark differs significantly in meaning from the senior mark. When this happens and the nature of the concepts, meanings and links change as a result, the trademark has been diluted, either because the character of the trademark is less unique or distinctive (blurring) or because its reputation has become less favourable (tarnishing). In essence the selling power or commercial magnetism of the trademark is diluted because consumers allegedly have more difficulty in recalling, recognising, and producing a diluted trademark, and correspondingly are less likely to purchase products or services branded with that mark.

Article 3(2) of the World Intellectual Property Organisation's Model Law Provisions on Unfair Competition provides for a wide scope of protection against dilution (Mostert & Baeumer, 1997, p. 1/122)[2], stating that another's goodwill or reputation may be damaged as a result of the dilution of the goodwill or reputation attached to any one or more of the following: a trademark, whether registered or not; a trade name; a business identifier other than a trademark or a trade name; the appearance of a product; the presentation of products or services and/or a celebrity or a well-known fictional character. This means that virtually any object representing or connected to the trademark can be diluted and by implication tested for dilution.

[2] Mostert and Baeumer (1997) is a loose leaf book; 1/112 is a page reference.

The nature of legislation that deals with dilution in Republic of South Africa and abroad is conceptually uniform as will be illustrated below, but different issues have become important in different countries.

2.5.1 Republic of South Africa

In the Republic of South Africa, trademarks are protected under common law and statute (Appendix A: Taxonomy of trademark law in the Republic of South Africa). Passing off or the copying of a competitor's distinctive marks is a form of misrepresentation as to the copier's own performance. It is a form of unlawful competition, subject to the general principles of Aquilian liability governed by requirements and rules evolved through common law (Mostert & Baeumer, 1997; Van Heerden & Neethling, 2008). Additional protection in the form of statute is provided by the Trade Marks Act 194 of 1993. Common law and the Trade Marks Act 194 of 1993 provide equal protection of famous and well-known marks on non-competing products (Mostert & Baeumer, 1997). Common law provides protection in the case where there is a likelihood of confusion of business connection or sponsorship demonstrated by the definition of 'passing off' as a wrong consisting "... in a representation by one person that his business (or merchandise, as the case may be) is that of another, or that it is associated with that of another" (*Capital Estate and General Agencies (Pty) Ltd v Holiday Inns Inc and Others*, 1977 (2) SA 916 (A), p. 929).

Initially dilution was seen as a consequence of 'passing off' in the form of damage or prejudice. However, the Trade Marks Act 194 of 1993 now provides additional protection in the case of dilution in the form of section 34(1)(c). The Trade Marks Act 194 of 1993 stipulates which acts are prohibited in respect of a registered trademark and therefore if committed constitute an infringement of the trademark proprietor's rights. Three types of infringements are covered by the act (Webster, et al., 1997, p. 12/12)[3]. The first infringement in section 34(1)(a) deals with the unauthorised use of a trademark in relation to registered products or services. The second infringement in section 34(1)(b) deals with unauthorised use of the trademark in relation to similar products or services. The third infringement in section 34(1)(c) offers additional protection and deals with the unauthorised use in the course of trade in relation to any products or services of a mark that is identical or similar to a trademark registered, if such a trademark is well-known in

[3] Webster, et al. (1997) is a loose leaf book; 12/12 is a page reference.

the Republic of South Africa and the use of the said mark would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trademark, notwithstanding the absence of confusion or deception.

Section 34(1)(c) implies firstly that a registered trademark[4] is awarded protection even if the infringing trademark[5] does not belong to a trade rival. In other words, the infringing mark need not be used in respect of identical or similar products or services for which the trademark is registered. Secondly, it does not require public deception or confusion regarding for example the origin of the trademark but only that the infringing trademark is thirdly likely to take unfair advantage of or be detrimental to the distinctive character of the well-known registered trademark (Webster, et al., 1997, p. 12/12), possibly infringing the trademark proprietors' right to goodwill (selling power and commercial magnetism). The concept 'likely' will, according to Webster, et al. (1997) lead to considerable litigation as it is open to interpretation.

Although section 34(1)(c) does not contain the reference 'dilution' it is in fact an anti-dilution provision aimed at protecting the advertising (similar to section 10(17) of the Trade Marks Act 194 of 1993) of a trademark well-known in the Republic of South Africa, against dilution. The dilution provision of section 34(1)(c) is based on the premise that unauthorised use erodes the selling power or commercial magnetism of a trademark, diluting its value as its character and/or repute is blurred and/or tarnished. The injury arising from this type of infringement is called dilution through blurring or tarnishing and relates specifically to the likelihood of an infringing mark to take unfair advantage of or be detrimental to the distinctive character (dilution) or reputation (tarnishing) of a registered trademark that is also well-known. Webster et al. (1997, pp. 12/42 – 50) described the nature of trademark dilution as the recognition of a function of a trademark that goes beyond the traditional origin or distinguishing function by recognising the selling power, advertising function and commercial magnetism of a trademark that has become well-known. What is protected with dilution legislation is the advertising value or goodwill (selling power or commercial magnetism) of the trademark that it has acquired over time and as a result of extensive and often expensive brand-building effort.

[4] Also referred to as the senior mark.
[5] Also referred to as the junior mark.

2.5.1.1 Blurring

The words "...detrimental to, the distinctive character..." used in section 34(1)(c) of the Trade Marks Act 194 of 1993 refer to dilution by blurring. Dilution by blurring weakens the distinctiveness of the senior mark. In most cases the junior mark, which is identical or virtually identical to the senior mark, is used on products or services that may or may not be identical to the products and services of the senior mark. The result of the use by the junior mark is that it detracts from the strong associations consumers hold in terms of the senior mark. As a result, the strength and value of the senior mark is lessened as an identifier and differentiator. Webster et al. (1997) provides a well-used and quoted example by Schechter (1927) published in an article called 'The rational basis of trademark protection', demonstrating this type of infringement. He remarks that if "...you allow Rolls Royce restaurants, Rolls Royce cafeterias, Rolls Royce pants and Rolls Royce candy, in ten years you will not have the Rolls Royce mark any more". The concept blurring is demonstrated by a case heard by the Supreme Court of Appeal in 2001 in the Republic of South Africa. The appellant in the *National Brands* case (*National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd*, 2001 (3) SA 563 (SCA)) was a biscuit manufacturer and holder of the registered trademark of Romany Creams. The respondent (Blue Lion Manufacturing (Pty) Ltd) produced a similar biscuit under the name of Romantic Dreams. The appellant, holder of the senior mark Romany Creams, objected to the junior user's mark of Romantic Dreams and instituted action under section 34(1)(c) of the Trade Marks Act 194 of 1993 for infringement by use of a mark similar or identical to the trademark, notwithstanding the absence of likelihood of confusion or deception. It was held by the Supreme Court of Appeal that the mark of the junior user, Romantic Dreams, was not likely to deceive or confuse, in other words blur, because Romantic Dreams was not an easily recognisable likeness of the senior user's mark Romany Creams. The Supreme Court of Appeal justified its decision by arguing that the word marks (Romany Creams/Romantic Dreams) did not sound the same as ordinary language was used and not a combination of abstract symbols. The word marks were also usually recognisable as a whole and for the meaning it conveyed. Furthermore, the registered trademark (Romany Creams) was well known which reduced the scope for deception or confusion as the visual distinctions in the words also conjured up different pictures.

2.5.1.2 Tarnishing

The words "...detrimental to, the distinctive...repute" used in section 34(1)(c) of the Trade Marks Act 194 of 1993 refer to dilution by tarnishing. Dilution by tarnishing occurs where

the trademark is tarnished because it is either used in relation to inferior products or services or used in an offensive or negative connotation (Webster, et al., 1997). The words 'detrimental to the repute' used in section 34(1)(c) of the Act refer to dilution by tarnishing. The result of the 'use' is that the reputation of the trademark is eroded and its good name is negated, resulting in an unfair advantage for the infringer. The nature of the 'use' is the creation of inappropriate or unflattering associations usually of a sexual or offensive nature. The result of such associations is the impairment of the senior mark's capacity to stimulate consumers' desire to buy because consumers may perceive the senior mark in a relatively less positive or favourable light. The concept tarnishment is demonstrated by the *Safari Surf Shop* case (*Safari Surf Shop CC v Heavywater and others*, [1996] 4 All SA 316 (D)) heard by the Durban and Coast Local Division of the Supreme Court of the Republic of South Africa in 1996. The applicant manufactured surfboards and was the registered owner of the trademarked word 'spider' that incorporated a spider image as part of its logo on its surfboards. The respondent used the name 'spyderbilt' on its surfboards. When forced by the appellant to change the name 'spyderbilt', the respondents stylised its spider logo and used the name 'Jarvis' on their surfboards. The appellant was still not happy with the respondent's use of the stylised spider and requested the Supreme Court of Appeal to prevent the respondent from using same as it would be detrimental to the reputation of the applicant's trademark. The Supreme Court of Appeal agreed with the appellant and ordered the respondent to stop using the stylised spider as part of its logo as its continued use would tarnish the trademark of the applicant.

In summary, dilution by blurring makes the senior or registered mark, in the example above Romany Creams, less distinctive or unique while dilution by tarnishing makes the senior or registered mark, in the example above 'spider', less favourable or reputable.

2.5.2 International perspective

Trademark law in respect of dilution in the United Kingdom and the European Union is briefly discussed because South African trademark law is based on English law and originates from Roman Dutch law (Kaseke, 2006). Trademark law in the United States of America is also based on similar principles compared to trademark law in the Republic of South Africa and the United Kingdom and is therefore also briefly discussed.

2.5.2.1 United Kingdom and European Union

Section 10(3) of the United Kingdom Trade Marks Act 1994 is based on article 16(3) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), articles 5 (2) of the European Court Trademark Directive, articles 9(1)(c) of the Community Regulation and European Court decisions. Section 34(1)(c) of the South African Trade Marks Act 194 of 1993 is in turn modelled on the European Directive. Therefore, provisions virtually identical in text and substance to the South African section 34(1)(c) are found in article 5(2) of the European Directive and section 10(3) of the United Kingdom Act (Annand & Norman, 1994; Kaseke, 2006). Section 10(3) of the United Kingdom Act provides that if a trademark has a reputation in the United Kingdom, it is an infringement to use an identical or similar sign in the course of trade, in respect of similar or dissimilar products or services, where such use, being without due course, takes unfair advantage of or is detrimental to the distinctive character or repute of the trademark (Mostert & Baeumer, 1997; Webster, et al., 1997). Community Trade Mark Regulation in the European Union also recognises dilution in the form of blurring and tarnishment if it is detrimental to the distinctive character or reputation of an earlier trademark (Trademark dilution: protecting a trademark).

2.5.2.2 United States of America

The Trade Mark Dilution Revision Act of 2006 (Trademark Dilution Revision Act of 2006) amended American law on trademark dilution (15 USC 1127 construction and definitions; intent of chapter, 2010). The amendment overturned the Supreme Court decision in the *Moseley* case where the court made a finding in 2003 regarding section 43(c) of the Lanham Act (Trademark Act (Lanham Act) of 1946) and the Federal Trademark Dilution Act of 1995 (Federal Trademark Dilution Act of 1995) that required proof of actual harm to the trademark. The revision means that instead of showing actual trademark dilution it will suffice to show a likelihood of trademark dilution (discussed in detail 2.7.3).

Detriment to character, or trademark blurring, occurs when "...erosion or watering down of the singularity and exclusivity of the trademark to call to mind a specific product is at issue" (Mostert & Baeumer, 1997, pp. 4/492-507; Webster, et al., 1997). Several cases have been decided in the USA that involved dilution by blurring. For example in the *Hyatt* case (*Hyatt Corpn. v. Hyatt Legal Services* 736 F.2d 1153, 222 U.S.P.Q. 669 (7th Cir. 1984)) the plaintiff, owner of the Hyatt mark used in respect of a hotel chain, succeeded in prohibiting the defendant from using the said mark in respect of a legal chain service.

Detriment to repute, or trademark tarnishment, occurs when "...use of a trademark in an offensive or unsavoury context could tarnish the ability of the trademark to call to mind the associations of satisfaction and desirability linked with the particular product" (Mostert & Baeumer, 1997, p. 1/103). Numerous cases have also been decided in the USA that involved dilution by tarnishment. In the *Coca-Cola* case (*Coca-Cola Co. v. Gemini Rising Inc*., 346 F. Supp. 1183, 175 U.S.P.Q. 56 (E.D.N.Y. 1972)) the court granted a preliminary injunction in favour of the senior mark on the basis that the posters sold by the defendant with the words 'Enjoy Cocaine', in the same type cast and colours as the Coca-Cola mark, tarnished the Coca-Cola mark.

Although many more cases and examples of trademark dilution can be discussed it is sufficient at this stage to conclude that parties to blurring litigation in the United States of America primarily debate on how unique, distinctive and well-known a plaintiff's mark must be in order to have sufficient strength or value as a source-identifier such that a mark used in a different trade channel can diminish that strength (Trademark dilution: protecting a trademark). The next section addresses the manner in which the judiciary in South Africa decided trademark dilution cases before the landmark Constitutional Court decision in the *SabMark International* case in 2003, the *SabMark International* case itself and the *Moseley* case decided in the USA after which dilution legislation was amended.

2.6 JUDICIAL INTERPRETATION OF DILUTION: REPUBLIC OF SOUTH AFRICA AND THE UNITED STATES OF AMERICA

Before the *SabMark International* case was decided in the Constitutional Court in 2006, the South African courts were challenged to interpret section 34(1)(c) in six cases (Appendix B Summary of dilution court cases in South Africa), two (the *National Brands* – and *Safari Surf Shop* cases) of which were already discussed above. The remaining four cases are briefly discussed to contextualise the discussion of the *SabMark International* case. In the *Bata* case (*Bata Ltd v Face Fashions CC and Another*, 2001 (1) SA 844 (SCA)), the appellant was the holder of several trademarks that included the word 'Power' and 'Power Points' in respect of footwear and other articles of clothing. The respondents manufactured and sold clothing under the name 'Power House' usually accompanied by a distinctive dog device. The appellant requested the court to restrain the respondents from using the trademarks 'Power' and 'Power House' as the respondents were infringing the appellant's registered trademarks in the manner set out in *inter alia* section 34(1)(c) of Trade Marks Act 194 of 1993. The SCA found that the similarity between the appellant's

and respondents' trademarks were not sufficient to comply with section 34(1)(c). Furthermore, as the appellant provided no evidence of either detriment to character or repute (blurring or tarnishing), the requirement of section 34(1)(c) was not met and therefore the respondents did not infringe on the appellant's trademark. The Supreme Court of Appeals indicated in the *Beecham* case (Beecham Group plc and another v Triomed (Pty) Ltd, 2003 (3) SA 639 (SCA)) that the shape of the appellant's pill (Augmentin tablets with the name embossed on one side of oval, bi-convex white tablets) and that of the respondent (Augmaxcil tablets with the same composition, shape and colour as Augmentin, but with the name not embossed on the tablet) were not similar for the purposes of section 34(1)(c). The court dismissed the appeal and found *inter alia* that a shape in common use was not capable to distinguish in the trademark sense and did not become distinctive through use and therefore was no guarantee of source. When the case was first heard in 2001 in the then Transvaal Provincial Division, the court touched on tarnishing, describing it as a loss of positive associational value, even though the decision it made was eventually upheld by the Supreme Court of Appeals. The applicants in the *Klimax* case (*Klimax Manufacturing Ltd and Another v Van Rensburg and Another*, 2005 (4) SA 445 (O)) were 'Klimax' and 'Speedheat' and the respondents 'Van Rensburg' and 'Term-O-Care'. The applicants alleged that the respondents used a mark, 'Term-O-Care', that was identical or similar to their registered trademark, 'Klimax' and 'Speedheat', that their mark (applicants') was well-known in the Republic of South Africa and that the use by the respondents would likely take unfair advantage of or be detrimental to the distinctive character or repute of their trademark (section 34(1)(c)). The applicants failed because they did not prove that their mark was well-known in the Republic of South Africa and that an unfair advantage or detriment to its distinctive character or repute of trademark will result.

The *Safari Surf Shop* case heard in 1996 was the only case in the Republic of South Africa up until 2006 in which the court found that continued use by the respondent would damage the character or repute of the trademark already in use. In all subsequent cases where protection in terms of section 34(1)(c) was requested, applicants and appellants failed. Applicants and appellants failed because they could not or did not prove that their trademarks were well-known in the Republic of South Africa and were not confusingly similar. Most importantly, failure was due to an absence of evidence to illustrate detriment to character (blurring) or repute (tarnishing). In 2006 the *SabMark International* case was

heard by the Constitutional Court, which aimed to elucidate the matter of detriment to repute (tarnishing) and how it should be evidenced.

2.6.1 The *SabMark International* case (Republic of South Africa)

At the beginning of 2001 two friends, Justin Nurse and Chris Verrijdt, joined forces to formally pursue the venture of producing spoofed (Appendix C: Parody and spoofing) brand t-shirts fulltime, calling their enterprise 'Laugh It Off Promotions' (subsequently referred to as Laugh It Off). Towards the end of 2001 Laugh It Off gained wide national awareness in South Africa due to the controversial nature of one specific t-shirt it produced. The t-shirt in question displayed a spoofed trademark that was a registered trademark that belonged to South African Breweries International (Finance) BV t/a SabMark International International, namely Carling Black Label Beer.

The label on the neck of the Carling Black Label beer bottle displayed the word 'Carling' and the phrase 'enjoyed by men around the world' in black uppercase type on a red background between two golden lines. On the body of the bottle a red sticker appeared with two golden bars. On the top golden bar the phrase "America's lusty, lively beer' appeared and on the bottom bar the phrase 'brewed in South Africa', again all in black upper case type. The red sticker also displayed a black parallelogram with the words 'Carling Black Label Beer', 'Carling' and 'Beer' in red typeface and 'Black Label' in white typeface.

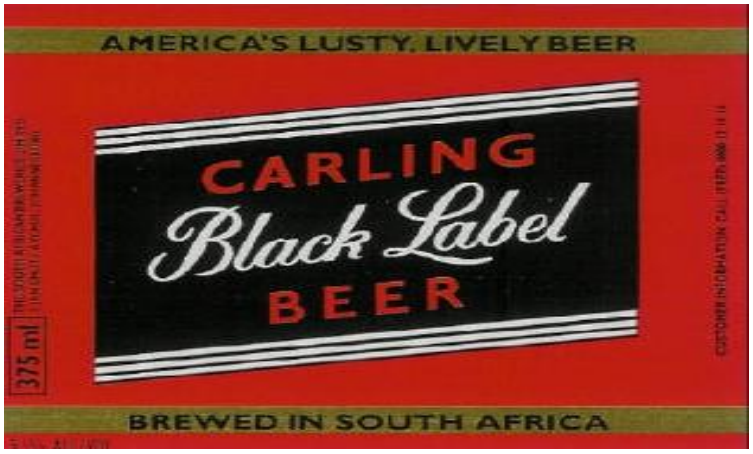

Image 2.1: The original Carling Black Label Beer trademark

Source: (Trade mark dilution - you can't laugh it off, 2004)

The t-shirts displaying the spoofed ‘Carling Black Label Beer’ brand employed the same lay-out, typeface and colours as the original registered trademark, with some modification. ‘Black Label’ was replaced with ‘Black Labour’, ‘Carling Beer’ with ‘White Guilt’, ‘America’s lusty, lively beer’ with ‘Africa’s Lusty, Lively Exploitation Since 1652’ and ‘Brewed in South Africa’ with ‘No regard given worldwide’(Design indaba: conference speakers, 2008; Jones, 2005; Just laugh it off, 2004; Justin nurses a big brand hangover, 2003; Rengecas, 2005; Time of the writer festival: Justin Nurse, 2007).

Image 2.2: The spoofed version of the Black Label trademark

Source: (Trade mark dilution - you can't laugh it off, 2004)

Many other trademark holders (see examples in Appendix C Parody and spoofing) were unhappy with the production and sale of t-shirts by Laugh It Off displaying spoofed or parodied trademarks. Diesel; Nestlè; Pfizer; Lego; Coca-Cola; Standard Bank of South Africa, Red Bull and Incredible Connection, either threatened Laugh It Off with legal action, obtained letters of demand to prevent further sale, production and distribution of the product or complained to the Department of Trade and Industry. However, it was SabMark International who took the matter of brand spoofing and alleged trademark infringement (tarnishing) as a result of parody serious enough to approach the High Court for relief in the form of an interdict in February 2002 and so proceeded with litigation against Laugh It Off. The case between Sabmark International and Laugh It Off proceeded through the

Cape High Court, to the Supreme Court of Appeals and ended in the Constitutional Court. In this last court of instance, Justice Moseneke commented as follows "... this case brings to the fore...the protection of intellectual property rights attaching to registered trademarks as envisaged by section 34 (1)(c) of the Trade Marks Act 194 of 1993 as amended and consequently to related marketing of brands" (*Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae)*, 2006 (1) SA 144 (CC), p. [1])[6]. The Constitutional Court proceeded to interpret the phrase 'likely to take unfair advantage of, or be detrimental to, the distinctive...repute of the registered trademark'. The case is discussed in some detail as it provides the motivation for this study.

SabMark International (applicant) based its 2002 Cape High Court application for an interdict on section 34 (1)(c) of the Trade Marks Act 194 of 1993, asking the court to restrain Laugh It Off (respondent) from the unauthorised use of its registered trademark 'Black Label' on t-shirts. At the time of the incident, SabMark International alleged that the Black Label trademark was well known and used extensively across South Africa in relation to beer sales. According to the trademark holder SabMark International, the trademark compilation (name, colour, typeface and catchphrase) of Black Label had a strong visual impact and were therefore especially complimentary to the product, namely beer, sold. In fact, according to SabMark International the reputation of the Black Label trademark was so well established that it had become one of the leading beer products in the country. The latter was substantiated with beer sales for the 2000/2001 financial year of volumes exceeding 1,4 billion 340 millilitre bottles. According to SabMark International the success of the Black Label trademark, as reflected by sales volumes, is directly connected to the Black Label trademark that has been built through "...costly, concerted and pervasive advertising in the form of sport sponsorships, television, radio, print media, coasters, poster, flags, t-shirts, billboards and advertising on taxis" (*Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae)*, 2006 (1) SA 144 (CC), p. [8]). According to SabMark International the t-shirts made a caricature of its trademark and was therefore detrimental to the reputation of the trademark, and as such a contravention of section 34(1)(c). Laugh It Off argued in its defence that in the first instance, damage to the trademark's reputation had not been established. In the second instance, that it was

[6] [ ] refers to a paragraph in a reported court case.

exercising its right to freedom of expression entrenched in section 16(1) of the Constitution of the Republic of South Africa, 1996 (The Constitution of the Republic of South Africa, 1996). Finally, according to Laugh It Off, the purpose of the parodied trademarks, or brand spoofing, is to make a statement about the trademark's policies or practices and to probe issues bearing on broader society. As such, its right to free expression is used to do so and cannot be silenced because it is unflattering to a trademark. The High Court however was "...unimpressed by the stance adopted by [Laugh It Off]" (*Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae)*, 2006 (1) SA 144 (CC), p. [15]) and granted SabMark International protection in terms of section 34(1)(c), motivating its finding as follows. In the first instance the High Court found that the message on the t-shirts carried the likelihood of material damage to the distinctive character or repute of SabMark International's trademark as the message was, according to SabMark International, that they exploit black labour and unethically feed of the legacy of apartheid. Secondly it was argued that Laugh It Off cannot use free expression as a defence as it exploited the trademark for financial gain. Thirdly, it was of the opinion that the use of the trademark was not mere parody but bordered on, but was not, hate speech as it invoked a racial factor. In conclusion, the High Court found that the use of the trademark by Laugh It Off manifested an intention to be hurtful or harmful to SabMark International as it is premised on race, ethnic or social origin and colour. The High Court also granted Laugh It Off leave to appeal to the Supreme Court of Appeals.

The Supreme Court of Appeals (*Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International*, 2005 (2) SA 46 (SCA) ([2004] 4 All SA 151)) dismissed Laugh It Off's (appellant) appeal against the Cape High Court decision on similar grounds as the High Court's initial decision. In the first instance the Supreme Court of Appeals agreed with the High Court that the parodied version on the SabMark International trademark Black Label on the Laugh It Off t-shirts was materially detrimental to the repute of SabMark International's trademark. In the second instance the Supreme Court of Appeals found that Laugh It Off's reliance on freedom of expression as entrenched in section 16 of the Constitution of the Republic of South Africa, 1996, as a defence, was misplaced as it had abused that freedom. Parody in the third instance, was not a defence against trademark infringement in terms of section 34(1)(c). The Supreme Court of Appeals motivates this finding as follows. Parody is only a factor to be considered in determining if the use of a parodied trademark, contrary to the provisions of the

mentioned section 16, was constitutionally protected. Also, Laugh It Off used the reputation of the SabMark International trademark, which it built over a lengthy period of time at considerable expense, without any justification in order to enrich itself. Accordingly, this parodied use of the trademark as well as the detriment it suffered as a result thereof, was unfair and constituted an infringement as per section 34(1)(c). Finally, the message on the Laugh It Off t-shirts that parodied the SabMark International trademark was found to be materially detrimental to the latter's trademark.

Laugh It Off subsequently approached the Constitutional Court for leave to appeal the judgement of the Supreme Court of Appeals. The Constitutional Court granted Laugh It Off leave to appeal against the Supreme Court of Appeals' judgement. The Constitutional Court acknowledged that section 34(1)(c) was applicable and that it was indeed purposeful in preserving trade and commercial interests of trademark owners. However, it did not agree with the judgement of the Supreme Court of Appeals and motivated its disagreement as follows. Firstly, the Supreme Court of Appeals' two-stage approach (first deciding whether infringement had occurred and secondly if the right to freedom of expression afforded justification for the infringement) in deciding if the infringement claim was merited, was flawed as freedom of expression should be the lens through which infringement is considered. Secondly, the provisions of section 34(1)(c) should be interpreted to be least destructive to free expression as per section 16(1) of the Constitution of the Republic of South Africa, 1996 – it cannot by implication forbid certain expressive conduct. Thirdly, section 34(1)(c) has internal limitations as it sets fairness and materiality standards that can only be addressed if the concept of what is 'fair' is assessed in each case with regard to the 'factual matrix' (*Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International*, 2005 (2) SA 46 (SCA) ([2004] 4 All SA 151), p. [49]) and context of each case. Fourthly, the Constitutional Court was of the opinion that even if it was accepted that the parodied trademark caused an infringement, it does not imply that substantial economic harm (detriment) was suffered by the trademark proprietor and that SabMark International's claim that the likelihood of economic harm (detriment) was so self-evident that it was unnecessary to provide evidence, was also not acceptable. In this vein, the Constitutional Court makes its most telling statement for the purposes of this study: it states clearly that expressive acts cannot be limited unless detriment to the reputation (not dignity) and selling magnetism of the trademark is evidenced to the court's satisfaction. The probability of material detriment to the mark as envisaged by section 34(1)(c) must be restricted to economic and trade harm.

In the opinion of the Constitutional Court, SabMark International neither proved that their market dominance or product sales would be reduced because of the trademark infringement nor did they provide evidence of the likelihood of future commercial detriment. As such, the appeal of Laugh It Off against the judgement of the Supreme Court of Appeals in favour of SabMark International succeeded.

The approach of the Constitutional Court in the *SabMark International* case, namely to first determine if an expression deserves constitutional protection and then to investigate if its use resulted in infringement, is not accepted by all. Kaseke (2006) offers that the courts should first determine existence of infringement then analyse constitutional defences to see if it excuses infringement. The Constitutional Court's approach obscures rather than elucidates the balancing process for lower courts. Lower courts may not be as adept in balancing the complicated interface between section 34 (1)(c) and a defence under the fundamental rights provisions of the Constitution of the RSA, 1996. Furthermore, the parody in the *SabMark International* case bordered on being a racial slur and should not have been constitutionally protected because the expression was based on *inter alia* race. The effect is, according to Alberts (2006) that ultimately there can be no detriment to any trademark because, save those amounting to for example blatant hate speech, all expression given the court's decision in the *SabMark International* case, will be constitutionally protected. The Constitutional Court also did not give guidance as to the type of evidence that would suffice if dilution by tarnishment is alleged (Illsley, 2006; Kelbrick, 2006, 2007). Exactly how a trademark proprietor could demonstrate a likelihood of substantial economic harm or detriment to the repute of the trademark which, seen within the context of the case, amounted to unfairness (Laugh It Off Promotions CC v Sabmark (Finance) BV t/a SABMark International , 2006 (1) SA 144 (CC), pp. [49-59]) was not addressed.

In conclusion, freedom of expression in terms of section 16(1) of the Constitution of South Africa, 1996, grants everyone the right of freedom of expression which includes the freedom of the press and other media, freedom to receive or impart information or ideas, freedom of artistic creativity and academic freedom as well as freedom of scientific research. Section 16(1) does not extend in terms of section 16(2) to propaganda for war, incitement of imminent violence or advocacy of hatred that is based on race, ethnicity, gender or religion, and that constitutes incitement to war. However, the constitutional right to freedom of expression is "...not absolute but is limited by laws of general application,

such as intellectual property laws" (Pistorius, 2004, p. 729). The right to freedom of expression is not addressed in this study in further detail as the purpose of this study is to investigate how detriment to the character (blurring) or reputation (tarnishing) of a trademark could be described and measured to utilise as part of a marketing response or as evidence in trademark infringement litigation.

After the *SabMark International* case the *Verimark* case (*Verimark (Pty) Ltd v BMW AGBMW AG v Verimark (Pty) Ltd*, 2007 (6) SA 263 (SCA)) was heard by the Supreme Court of Appeals. Verimark advertised its car care kit and polish products on the respondent's (BMW) motor vehicles that clearly displayed the well-known BMW logo. BMW applied for an interdict restraining Verimark from infringing its trademark alleging *inter alia* unauthorised use of its logo under section 34(1)(c). The then Transvaal Provincial Division of the High Court dismissed the application, BMW appealed and Verimark cross-appealed. The Supreme Court of Appeals held that although section 34(1)(c) did not require use as a pre-condition for liability, "...the fact that a mark was used in a non-trade sense might be relevant for determining whether unfair advantage had been taken or whether the use was detrimental to the mark" (Paragraph [13] at 270B - C). In the second instance the Supreme Court of Appeals held that the "...question of whether there had been unfair advantage had to be answered with reference again to the customers' perception about the alleged infringer's use of the logo. A mental association did not necessarily lead to either blurring or tarnishing" (Paragraph [15] at 270G - 271A). Unfair advantage relates to an advantage obtained by the junior user that was not necessarily detrimental to the senior user's mark. The court indicates that unfair advantage and detriment are two separate issues to be considered. The second finding of the court means that, although referring to unfair advantage, it is the perception of the customer that is tantamount to determining the effect of infringement and that an unwanted association alone does not amount to a likelihood of economic harm.

Three years before the *SabMark International* case was heard in the Republic of South Africa, a similar case, *Moseley v Victoria's Secret Catalogue*, was heard by the Supreme Court in the United States of America in 2003. The *Moseley* case also addressed the question of evidencing dilution.

2.6.2 The *Moseley* case (United States of America)

The petitioners in the *Moseley* case were Victor and Cathy Moseley who placed a newspaper advertisement that published the opening of their store 'Victor's Secret' that sold, among other things, women's lingerie and 'Adult Novelties/Gifts'. The respondent in the case was Victoria's Secret Catalogue, Inc which owned the Victoria's Secret trademark and operated over 750 stores. The respondent learned of the advertisement from an individual who saw it and was offended by the use of the variation of the Victoria's Secret trademark to promote the sale of 'unwholesome, tawdry merchandise'. The Moseleys changed the name of their store to 'Victor's Little Secret' but Victoria's Secret was not satisfied and filed a claim alleging that 'Victor's Little Secret' was still likely to blur and erode the distinctiveness as well as tarnish the reputation of the Victoria's Secret trademark. The District Court granted Victoria's Secret motion and enjoined the Moseleys from using the mark 'Victor's Little Secret'. The Moseleys appealed to the Sixth Circuit which affirmed the ruling of the district court. The Moseleys proceeded to appeal to the Supreme Court. The Supreme Court reversed the ruling of the Sixth Circuit and stated that proof of actual, not probable, consummated harm is required to succeed when dilution is alleged. As Victoria's Secret did not show actual harm as a result of dilution, the Moseleys could continue using the 'Victor's Little Secret' mark. As a result of the Supreme Court's decision in the *Moseley* case, with which many people and groups did not agree (Bird, 2007; Delflache, Silbert, & Hillson, 2007; Holt & Duvall, 2008; Klerman, 2005-2006; Pinto, 2003; Port, 2008; Rangel, 2005; Schwarz, 2004), the Trade Mark Dilution Revision Act statute was enacted on October 6, 2006. This statute codifies the likelihood of dilution standard: the owner of a famous mark "shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury" (Delflache, et al., 2007, p. 140).

The Trademark Dilution Revision Act of 2006 that revised the Federal Trademark Dilution Act of 1995 in the United States of America requires a likelihood of dilution to be shown by the plaintiff or owner of a senior mark in order to be awarded relief. The Trademark Dilution Revision Act of 2006 codified the 'likelihood of dilution' standard which means that it is in the first instance easier for a plaintiff to provide evidence of dilution as 'likely' dilution as opposed to 'actual' dilution is relevant. Secondly, the junior user of a mark that is

accused of diluting a famous mark can obtain declaratory relief from the court before making significant expenditures marketing a product or service under a new mark that may or may not be dilutive.

In the Republic of South Africa, a 'likelihood' of detriment (substantial economic harm) is also required. In order to succeed with a claim of dilution by either blurring or tarnishing, the senior mark must show that there is a probability or likelihood of substantial economic harm or detriment and that the detriment relied upon amounts to unfairness in the context of the case. Economic harm is a matter of inference and it involves the assessment of the impact of the junior use (infringing use) on the average or notional consumer (Rutherford, 2006). In this study economic harm to the senior mark is conceptualised as the impact of the junior use (blurred or tarnished trademark) on the average consumer. Before the concept 'likelihood of substantial economic harm' is discussed in some detail (Chapter four), the components of dilution must be summarised as it describes the parameters of the independent variables (senior and junior marks) of this study.

2.7 COMPONENTS OF DILUTION

Section 34(1)(c) enables the senior user of a trademark to bring an action for infringement on the basis of dilution in the form of blurring and/or tarnishment. The senior user must establish the following components (Mostert & Baeumer, 1997, p. 4/373):

(a) the defendant's (junior user's) use of a mark is identical or similar to the plaintiff's (senior user's) registered mark (2.7.1),

(b) that the use of the registered mark by the defendant (junior user)
   i. is unauthorised (2.7.2.1); and
   ii. is in the course of trade (2.7.2.2); and
   iii. would be likely to take unfair advantage of or be detrimental to the distinctive character or the repute of the plaintiff's (senior user's) mark (2.7.2.3); and

(c) that the plaintiff's registered mark is well known in the Republic of South Africa (2.7.3).

The components (2.7.1 - 2.7.3) and sub-components (2.7.2.1 – 2.7.2.3) are briefly summarised below.

2.7.1 Similarity of senior- and junior marks

The similarity of junior and senior marks is seldom in dispute if the junior mark attempts to exploit the commercial magnetism of the senior mark because in such an instance the

marks are identical or nearly identical. When it is necessary to prove that the junior and senior marks are similar, the comparison must be limited to the marks alone and objective standards must be used (Webster, et al., 1997, p. 12/55). The parameters used to determine similarity was stated by the Supreme Court of Appeals in the *Bata* case:

- similarity must be constructed in the context in which it appears; and
- similarity must not be given too wide or too extensive an interpretation for the purposes of section 34(1)(c) – if the interpretation is too extensive the effect may be of creating a monopoly for the proprietor of a trademark and thus unduly stultify freedom of trade; and
- there must be a marked resemblance or likeness – marks are not similar because they contain the same features or because there is a slight resemblance between them.

Courts in the Republic of South Africa have accepted that marks were sufficiently similar for the purposes of section 34(1)(c) in three cases. The *Safari Surf Shop* case and the *SabMark International* case (discussed above). In the *Albion Chemical* case (*Albion Chemical CO (Pty) Ltd v F A M Products CC*, 2004 (6) SA 264 (C)) the Cape High Court found that the applicant's trademark 'Albex' for household bleach and the respondent's bleach product with a similar appearance called 'All Blax' were sufficiently similar to give rise to deception or confusion constituting infringement of a mark in terms of section 34(1)(a). According to the court in the Albion case, similarity is determined with reference to sense, sound and appearance. An applicant need not show similarity in respect of all three these components, similarity of one component would satisfy a court to demonstrate a possibility of deception or confusion sufficient to constitute and infringement of the trademark. Similarity as component of dilution is not discussed in further detail as the junior marks used in the empirical study are construed using the similarity guidelines above. It is assumed that the junior marks used to determine the dilution of senior marks are similar enough that it constitutes infringement of the senior mark.

2.7.2 Nature of use

A senior mark is awarded with anti-dilution protection if the senior mark can firstly show that use of the senior mark by the junior mark was unauthorised. Secondly, that use by the junior mark occurred in the course of trade. In the third instance, use by the junior mark caused detriment to the senior mark and was unfair in the circumstances.

2.7.2.1 Unauthorised use

Unauthorised use by the junior mark of the senior mark is not discussed as it is assumed for the purposes of this study that the junior mark used the senior mark or an amended form thereof without the senior mark's permission.

2.7.2.2 In the course of trade

In the Republic of South Africa 'use', in the context of section 34(1)(c) means in the course of any trade. In the *SabMark International* case the Supreme Court of Appeals stressed that 'in the course of trade' means that use must be in relation to products or services. This position is consistent with the position in the United States of America and European Court (Webster, et al., 1997).

On appeal, Laugh It Off alleged that its efforts were not commercial in nature as it provided political commentary, substantiated by the few t-shirts displaying the spoofed brand sold via the Internet. The Constitutional Court accepted the argument by the appellant Laugh It Off that the infringing mark was not used in the course of trade. The requisite 'use in the course of trade' is interpreted more strictly in the United States of America and the European Union (Mostert & Baeumer, 1997; Webster, et al., 1997) and it can therefore be argued that the argument of Laugh It Off that its efforts were not commercial in nature would not be accepted in either the United States of America or the European Union.

2.7.2.3 Detriment and unfair use

The phrases 'unfair advantage' and 'detrimental to' both qualify the distinctive character or repute of the senior mark because it is character and reputation that give the trademark its commercial magnetism and selling power. It is commercial magnetism and selling power that is the subject of dilution provision's protection. In essence, 'economic harm' refers to the harm done to the trademark's commercial magnetism and selling power because customers linked the allegedly infringing mark to the well-known trademark. Assessing economic harm or detriment therefore involves determining the impact of the defendant's use (junior mark) on the average or notional consumer (Alberts, 2006). The impact on the consumer may be direct or inferential (Rutherford, 2006). Direct impact is evidenced by an unfavourable or negative association created between the well-known trademark and the allegedly infringing (junior) mark while inferential impact refers to evidence of a likelihood of loss of sales or business opportunities by virtue of the reduced commercial magnetism or reduced selling power of the well-known mark.

Webster et al. (1997) submits that in determining whether the junior mark's use is detrimental to the distinctive character (blurring) or repute (tarnishing) of the registered (senior) mark, the following inter-related factors will play a role:

(a) whether the mark is inherently distinctive (such as an invented mark) or whether it has acquired distinctiveness through use;
(b) the nature and extent of use of the same or a similar mark by third parties;
(c) the degree of recognition of the proprietor's mark in its and the defendant's channels of trade.

An invented trademark is less likely to be used by third parties than a trademark that has only acquired distinctiveness through use (Webster, et al., 1997). The Constitutional Court remarked in the *SabMark International* case that the stronger the distinctive character and reputation of the famous mark the easier it will be to accept that detriment to it has been caused by a defendant's allegedly infringing use. This is because the court, in considering the degree of inherent or acquired distinctiveness of the senior mark, accepts that the more distinctive the senior mark is, the more likely it is that the junior mark will dilute the associations of the senior mark.

The nature and extent of use and the degree of recognition of the senior mark refers to the size of the population to which the senior mark's product is sold and how likely it will be that the senior mark's character or reputation is affected by use in relation to any products as opposed to a mark that is only known within a limited sector of the population. Webster, et al. (1997, p. 12/62) explains the principle using a case heard in the United States of America. In the *Mead Data Central Inc v Toyota Motor Sales* case the plaintiff argued that the use of 'Lexus' for automobiles by the defendant would dilute the plaintiff's trademark 'Lexis' for computer assisted research used by attorneys and accountants. The court found that the 'Lexis' mark was virtually unknown to the general public as it was only used in a limited market and was therefore unlikely to be associated generally with a mark for a dissimilar product (automobiles) circulated elsewhere. As a result, because of the disparate nature of the plaintiff's services and the defendant's product, 'Lexis' had no distinctive quality which 'Lexus' would dilute. In the *Safari Surf Shop* case the South African court indicated that the respondent's (junior) mark will dilute the character or repute of the applicant's (senior) mark as both the applicant and respondent marketed and sold their products in the same niche market.

What constitutes proof of degree of distinctiveness, nature and extent of use and degree of recognition is an evidential question. Although consumer surveys have been used in the past, courts are not willing to readily and mindlessly accept consumer surveys compiled by non-jurists. Surveys are expensive, require skill in compiling and adducing from it (Webster, et al., 1997), and therefore remain problematic. But, according to Rutherford (2006), market surveys should have sufficient probative value and weight if it is conducted amongst a sample of potential consumers and is carefully formulated and conducted. Alberts (2006), using the American case *Electrocoin Automatics Limited v Coinworld Limited* as precedent, is of the opinion that the link in consumers' minds between a senior mark and a junior mark should extend to an effect on their economic behaviour. Providing survey evidence of economic behaviour in addition to and as a result of consumer association will most probably be more convincing to a court. That being said, it remains extremely difficult to provide evidence of a future event, a likelihood of trademark dilution on a substantial scale, in the form of economic harm (Kaseke, 2006).

A junior mark obtains an unfair advantage if the blurring or tarnishing that results from the junior mark's use of the senior mark, is unfair in the context of the case at hand. It can also be explained as the undeserved advantage obtained by the junior user at the expense of the senior user. The interpretation of the requirement of 'unfair use' after the *SabMark International* case has become somewhat obscure according to academics. If by implication an expression is constitutionally protected, there is no detriment because use is fair (Alberts, 2006). On the other hand, if proof is provided that an infringing mark caused substantial harm to the registered trademark the detriment cannot be fair and therefore the consideration of fairness falls away (Rutherford, 2006). The academics' interpretation of the requirement of 'unfair use' implies that, as the applicant bears the burden of proof, the applicant can provide evidence to the court that shows the allegedly infringing use is legally and constitutionally unacceptable and will likely cause substantial harm to the character or repute of the senior mark.

Unfair advantage is usually carefully considered if the junior mark is a parody. South African courts do not award parodic expressions with automatic protection (Alberts, 2006) and if it amounts to hate speech or racial slurs it is excluded in terms of section 16 (2)(c) of the Constitution of the RSA, 1996. If a trademark proprietor alleges that his trademark is used unfairly because it is parodied and that as such his rights as trademark proprietor are infringed, the court considers the alleged use in its own context, deciding each case on its

own merits because some parodies cause unfair detriment and others not. Balancing the rights of the trademark proprietor with the parodist's freedom of expression should be context-specific and fact-sensitive in character. A court may for example consider the nature of the parody (unsavoury, uncomfortable, morally reprobate, unwholesome, degrading or not); the purpose of the venture using the parody (commercial or non-commercial); the means (visual, verbal or both) used to convey the parodist's message and the significance and impact it had (or is likely to have) within the actual setting in which it was communicated (*Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae)*, 2006 (1) SA 144 (CC), pp. [82-88]). However, none of these considerations are determinative factors individually but rather function contributively to form a unique picture being indicative or not of unfair trademark use.

In the United States of America levels of protection are provided in respect of free speech. A politically motivated trademark parody will for example receive the highest form of protection while a commercial expression will only receive intermediate protection. This state of affairs have been criticised because in effect, all parody involves some form of commercial expression (Illsley, 2006). In South Africa the Constitutional Court was of the opinion in the *SabMark International* case that protection of parodic expression was not dependent on the court's interpretation of offensiveness and distastefulness but determined by fairness as discussed above. However, in the United States of America the courts are not in favour of protecting parodies of an unsavoury nature under the banner of free speech.

2.7.3 The concept 'well-known' in a South African context

A mark qualifies as 'well known' if it has a level of awareness in the public mind. If a mark is described as well-known it usually implies a certain degree of reputation or recognition. Reputation must extend to a substantial number of members of the public or persons in the trade in question. In determining if a trademark is well-known in South Africa within the meaning of section 34(1)(c), the South African courts have considered additional factors applicable in the United States of America and the United Kingdom. These include (Webster, et al., 1997):

(a) the degree of inherent or acquired distinctiveness of the mark;

(b) the duration and extent of use of the mark in connection with the products or services;

(c) the duration and extent of advertising and publicity of the mark;
(d) the geographical extent of the trading area in which the mark is used;
(e) the channels of trade for the products or services with which the proprietor's mark is used;
(f) the degree of recognition of the proprietor's mark in its and the defendant's trading areas and channels of trade; and
(g) the nature and extent of use of the same or similar sign by third parties.

The criteria used for determining whether a mark is 'well-known' may also be relevant in elucidating the term 'substantial'. In the *McDonald's* cases (Kelbrick, 2006) one of the issues before the courts was to provide elucidation as to what is considered a 'well-known' mark. The court indicated that a mark is considered 'well-known' if it is known to a substantial number of persons interested in the products or services provided by it. Furthermore, according to the court, the question is not whether few people know the mark well but rather whether sufficient people know it well enough to entitle it to protection against deception or confusion. This judgement was confirmed to some extent by inserting a new section 35 (1A) of the Trade Marks Act 194 of 1993 reading that "...due regard shall be given to the knowledge of the trade mark in the relevant sector of the public, including knowledge which has been obtained as a result of the promotion of the trade mark". This section tempered the threshold of the judgement in the *McDonalds* case as the term 'well-known' in respect of the trademark that the South African Trade Marks Act 194 of 1993 uses implies reputation. Reputation in turn does not imply 'well-known' as the latter term suggests widely or generally known while reputation does not require such a degree of being known (Webster, et al. 1997, pp. 12/52 - 58). It is suggested that these guidelines, tempered by the inserted section in the Trade Marks Act 194 of 1993, in the absence of other directions in this regard, be used to instruct consumer sampling as well as size in this study.

2.8 SUMMARY

Trademarks and brands are conceptually uniform terms that refer to devices that have tangible and intangible properties. Tangible properties refer to sensorial perceptions, like the trademark – and brand name and – slogan, while intangible properties refer to abstract constellations, like knowledge and attitude that creates value in the form of selling power and commercial magnetism. The non-analogous development of trademarks and brands

can be traced historically to the Stone Age, but it is only during the past century that trademarks and brands developed concomitantly.

Trademarks are legal devices that award brands, described as marketing devices, with legal protection. If a brand is registered as a trademark it means that, amongst other things, the selling power and commercial magnetism, also referred to as goodwill, of the brand is awarded with legal protection. The most important function fulfilled by a trademark today is its advertising and purchase-stimulating function described in terms of the trademark's selling power and commercial magnetism. A brand creates goodwill by creating brand knowledge, building brand attitude and promoting brand loyalty. Once a brand fulfils these objectives, a brand has product -, price -, communication – and channel related effects. The functions performed by trademarks/brands create value for the owner of the trademark/brand and this value, described as selling power and commercial magnetism (goodwill) is protected by legislation.

Trademark legislation across the globe conforms to the same standards but is interpreted with slight differences according to individual countries. Trademarks/brands are specifically protected against use by a junior mark that will dilute its character or tarnish its reputation (dilution), irrespective of whether the products or services of the senior and junior mark are for identical - , similar - or dissimilar products or services. In South Africa it is required from a senior user who alleges dilution to show that, *inter alia*, the alleged use will likely cause substantial economic harm (*Sabmark International* case) to the character or reputation of the trademark. In the United States of America it was required to evidence actual dilution but after the *Moseley* case trademark legislation was amended and only a likelihood of dilution needs to be shown to be awarded relief. This means that, in South Africa, in order to successfully rely on section 34(1)(c) of Trade Marks Act 194 of 1993 the senior user must show that his trademark/brand became less distinct because its character was blurred or/and less favourable because its reputation was tarnished. The purpose of this study is to conceptualise trademark/brand blurring and tarnishing and to operationalise its construct in an attempt to explain and evidence trademark/brand dilution for both litigation - and marketing purposes. Chapter 3 addresses the conceptualisation of trademark value using the construct customer-based brand equity. Chapter 4 analyses how trademark dilution is evidenced and Chapter 5 operationalises trademark/brand dilution within the parameters set by Chapters 3 and 4.

CHAPTER 3
CONCEPTUALISING TRADEMARK VALUE: CUSTOMER-BASED BRAND EQUITY

3.1 INTRODUCTION

Chapter 2 demonstrated that trademarks and brands are constructs that are conceptually similar. The most important function of a trademark is its advertising and purchase-stimulating function. Brands are built via advertising and also, *inter alia*, ultimately stimulate purchases. Trademarks and brands are protected by law against becoming less distinctive (blurring) or less favourable (tarnishing). The courts in South Africa will only protect a senior mark against dilution if the senior mark can show a likelihood of economic harm because of use by a junior mark.

The purpose of Chapter three is to conceptualise customer-based brand equity in order to operationalise 'economic harm' for evidentiary purposes in Chapter four. Chapter three commences with a summary of customer-based brand equity definitions, focusing on its primary function of adding value to products and/or services. Customer-based brand equity can be conceptualised from different perspectives. The perspective most appropriate for the purposes of this study, the psychological-based approach, originating from associative network memory models, is discussed in some detail. The two most well-known models using the psychological-based approach, the Aaker (1991, 1996) and Keller (1993, 2003b) models, are summarised and their similarities and differences pointed out. The component used to operationalise trademark/brand dilution, namely brand attitude, and its preceding and succeeding variables, brand familiarity and brand loyalty, are discussed for contextualisation purposes. The manner in which customer-based brand equity can be measured, directly and indirectly, is discussed in more applied detail as the operational variable, brand attitude, has been contextualised. The ultimate or primary purpose of a brand, namely to have strong customer-based brand equity, is explained and the nature of strong customer-based brand equity demonstrated with the world's strongest brands. The chapter concludes with some criticism against the customer-based brand equity construct.

3.2 THE CONCEPT 'BRAND EQUITY'

In an article published by Gardner and Levy in the Harvard Business Review of 1955 the authors agreed that to date, consumers have used products based on the product's "most obvious purpose" because organisations have advertised the brand as such. They subsequently observe that this approach will not guarantee future success as the objective criteria used to advertise brands based on product purpose become less differentiated in product categories as time passes. If an organisation should however develop "…a greater awareness of the social and psychological nature of 'products'…" which will enable the organisation to take into account "…the character of the product (the human needs it serves and the particular way it does so)…" (Gardner & Levy, 1955, p. 34) it should be able to differentiate its product's brand that should translate to more efficient and effective advertising. In pursuit of this ideal a field of study called 'brand equity' developed. Brand equity is widely defined as the "…'added value' with which a given brand endows a product" (Farquhar, 1989, p. 24) and narrowly defined as the "…financial concept associated with the valuation placed on a brand" (Biel, 1991, p. 70). Brand equity as a conceptual framework can also be used as a tool to "...interpret the potential effects of various brand strategies" (Keller, 2003b, p. 42). The wider definition of brand equity is used in this study as it is more inclusive. The concept 'added value' or 'incremental value' is the common denominator in almost all definitions of brand equity (Aaker, 1991; Doyle, 2000; Keller, 1993; Montameni & Shahrokhi, 1998; Park & Srinivasan, 1994; Russel & Kamakura, 1994; Simon & Sullivan, 1993). The 'added value' referred to in the wide definition can be provided to the organisation that owns the brand and/or the industry (trade) in which the brand is used and/or the consumer who uses the brand. The concept 'added value' implies an additional dimension over and above what the product actually does (Gardner & Levy, 1955). The name, symbol, design or mark attached to what the product is believed to do (abstract attributes) over and above to what it actually does (physical attributes), is called a brand and the value it endows a product with, is called brand equity (Farquhar, 1989). If 'added value' is conceptualised from the perspective of the organisation, it can be described as a 'differential advantage' because it serves as identifier of the organisation's products or services (Doyle, 2000) and as differentiator from competitive products or services. Murphy in Montameni and Shahrokhi (1998, p. 275) concur with the notion of 'differentiation' in his description of the brand as complex phenomenon, arguing that "…not only is it the actual product, but it is also the unique property of a specific owner and has been developed over time so as to embrace a set of

values and attributes – both tangible and intangible – which meaningfully and appropriately differentiate products which are otherwise very similar".

For the purpose of this study 'added value' is conceptualised from the perspectives of consumers and industry (trade). For consumers, it can be described as a 'choice facilitator' as it enables consumers to make more effective consumption choices. For industry (trade), it can be described as an 'immaterial property protector' as it provides protection of the value (equity) attached to the brand. The end result of 'added value' is a market reward represented by higher profit margins or increased market share (Baldinger, 1990). Brand equity therefore represents two asset (or value) clusters: a financial asset cluster (an objective indicator of value) and a favourable associations and behaviours asset cluster (a subjective indicator of value). These two asset clusters have also been referred to as perspectives from which brand equity can be viewed and is referred to as the marketing perspective (brand equity is considered in the context of marketing decision-making) and the financial perspective (brand equity is considered in terms of future cashflows resulting from branded product revenue as opposed to unbranded product revenue) (Montameni & Shahrokhi, 1998).

Feldwick (1996) classifies brand equity to mean the total value of the brand as separable asset; the measure of strength of consumers' attachment to the brand; the uniqueness in respect of consumers' associations and beliefs about the brand compared to competitors. The first classification correlates with the financial asset cluster while the second and third classification correlates with the favorable associations and behaviour cluster. Brand equity, as subjective or objective value creator, can be conceptualised or defined based on three streams of academic research (Keller, 2002): economic theory, biology and sociology, and consumer psychology.

3.3 CONCEPTUALISATION BASIS OF BRAND EQUITY

Consumer psychology conceptualises brand equity from the consumer's point of view as it is based on consumer memory. Economic theory conceptualises brand equity based on the credibility of product and brand information. Biology and sociology define brand equity within the broader cultural meaning of products and brands. The economics based approach is summarised in Appendix D and the sociology - and biology based approach is summarised in Appendix E. The psychological-based approach is discussed in some detail as it forms the basis of the research project.

In a review of consumer psychology Bettman (1986, p. 263) notes that "…one of the major developments in research on consumer decision processes is the realization that memory and decision processes interact". In this particular approach, cognitive psychology theories on memory models are used to understand key concepts relating to consumers' associations and how consumer memory and decision processes relate to brand equity. Memory models (e.g. ACT (Anderson, 1983b); MINERVA 2 (Hintzman, 1990); TODAM (Murdock, 1995); SAM, (Raaijmakers & Shiffrin, 1981); the diffusion model (Ratcliff, 1978)) differ in both form and underlying assumptions (Krishnan, 1996, p. 391). For example, Hintzman (1990) reviews two major models on human learning and memory, namely connectionism and dissociationism and attempts to review theoretical efforts toward the development of formal models on the one hand and empirical work comparing different memory tasks on the other hand. He does not reach a formal conclusion, except to warn against intuitive models in favour of mathematical and computational models justifying the former, because of the complexity of the system under investigation. Murdock's TODAM (1995) is a distributed-memory model in which items and associations are represented by vectors and considers special cases of serial-order information. However, most of the models view memory as consisting of various linked concepts.

A concept is referred to as a node and it can represent a brand name or a target word, e.g. a product. The link between any two concepts or nodes is called an 'association' that is held in the consumer's mind. In human memory a multitude of concepts are stored that is to a lesser or greater extent related to a brand name or target word. If such multiple concepts (also called association sets) are related to the brand name or target word in a meaningful manner, the memorability of the brand name or target word is enhanced (Meyers-Levy, 1989, p. 197). The aforementioned substantiates Keller's (1993, p. 2) notion that the psychological-based approach helps to illuminate "…the content and structure of brand knowledge…because they influence what comes to mind when a consumer thinks about a brand".

The majority of contemporary studies on branding use the associative network memory model originating from cognitive psychology and based on the Adaptive Control of Thought (ACT) theory developed by Anderson (1983b). Keller (2002) remarks that if branding effects are studied from a cognitive psychology perspective, associative network memory models are best suited to develop theories and hypotheses because, in part, these models are comprehensive and offer diagnostic value. For example, Van Osselaer and

Janiszewski (2001) identified two learning processes of brand association in their research to explain how associations between brand names and benefits form, change over time and effect customer decisions. The first process is consistent with Human Associative Memory (HAM) models as conceptualised by Anderson and Bower (1973) that evolved to the Adaptive Control of Thought (ACT) theory. The second process is consistent with adaptive network models. In terms of the first process, cues such as brand names are learned independently while in terms of the second process cues interact. Two types of models are further classified within the Human Associative Memory (HAM) model, namely the Direct Association (DA) model and the revised model of Anderson's Adaptive Control of Thought (ACT) model called Adaptive Control of Thought-Revised (ACT-R) model.

These two models have similarities but also differences in common. However, the primary difference is the way in which each model represents learning. In terms of the Direct Association (DA) model a 'coincident activation' learning rule is adopted while in the Adaptive Control of Thought-Revised (ACT-R) model a statistical Bayesian inference approach to learning is adopted. The model used in the second process is called the Least Means Squares (LMS) adaptive network model. Krishnan (1996) used a memory network model to identify various association characteristics (like set size, valence and uniqueness) and to examine the differences between high and low equity brands underlying customer-based brand equity.

Henderson, Iacobucci and Clader (1998) used consumer associative networks to understand brand preferences and choices as well as to map branding effects like branded features, driver brands, complements, co-branding, cannibalisation, brand parity, brand dilution, brand confusion, counter-brands and segmentation. Van Osselaer and Janiszewski (2001) and Janiszewski and Meyvis (2001) used a two-process (backward and forward looking) theory of associative memory models to illustrate that consumers have two distinct learning processes that allow them to use brand names and other product features to predict consumption benefits.

John, Loken, Kim and Monga (2006) developed a methodology called 'Brand Concept Maps' to elicit brands association networks from consumers and aggregate individual brand association networks into a consensus map of the brand. According to Keller (2002, p. 6) the extensive use of the association network memory model can be explained by the comprehensive and diagnostic character thereof. As such, the associative network

memory model based on the Adaptive Control of Thought (ACT) theory (Anderson, 1983a, 1983b) merits further scrutiny. Janiszewski and Van Osselaer (2000, p. 333) refer to a later model of Anderson (1993) called the Adaptive Character of Thought-Rational (ACT-R) that explains how brand associations are learned. However, this study uses Anderson's Adaptive Control of Thought (ACT) theory (1983) as it was this latter theory on which both Keller (1993, 2003b) and Aaker (1991, 1996; Aaker & Joachimsthaler, 2000) have based their conceptualisations of brand equity and brand associations. Janiszewski and Van Osselaer (2000, p. 332) refer to these applications as a 'Direct Association Model of Brand Associations').

Adaptive Control of Thought (ACT) is a theory of cognitive architecture which means that it is a theory of the "…basic principles of operation built into the cognitive system" (Anderson, 1983a, p. ix). For example, Raaijmakers and Shiffrin (1981) used a general theory of retrieval from long-term memory with combined features of associative network models and random search models to investigate retrieval structure networks referred to as SAM (Search of Associative Memory). The theory is a synthesis of three streams of research: the Human Associative Memory model (HAM) developed by Anderson and Bower (1973) that models the structures and processes of human memory with its central construct a propositional network presentation in the first instance; production-system architecture that is used as interpreter of the propositional network (in the second instance) and a spreading activation concept, theorised by Collins and Quillian (1969) in the third instance. The spreading-activation theory of human semantic processing theorised by Collins and Loftus (1975) was used to implement memory search and comprehension in computer simulations. In terms of their theory memory search is viewed as activation spreading from two or more concept nodes in a semantic network until an intersection is found. The theory attempts to demonstrate how human semantic structure and processing could be built into a computer as opposed to explaining data.

The Adaptive Control of Thought (ACT) theory is based on fourteen (zero to fourteen) assumptions (Anderson, 1983a, pp. 22-23) of which only assumptions zero to five are appropriate to explain associative memory in the context of the current study's research objectives. Time is assumed to be continuous (technical time assumption zero). The production system component of the Adaptive Control of Thought (ACT) theory operates on the declarative knowledge presentation (basic architectural assumption one). Van Osselaer and Janiszewski (2001) believe that consumers have two ways of learning brand

associations. Models (e.g. ACT) based on declarative knowledge hold that retrieval cues (brand names and product attributes) are learned independently while models based on adaptive models hold that these cues interact. Declarative knowledge refers to facts people know as opposed to procedural knowledge that refers to skills people know how to utilise. Declarative knowledge can be decomposed into a tangled hierarchy of cognitive units (also referred to as memory nodes) each consisting of a set of no more than five elements in a specified relation (declarative representation assumption two). At any time, any cognitive unit or memory node has a non-negative level of activation associated with it (activation of declarative memory assumption three). Each cognitive unit or memory node has certain strength, the nodes are also linked and the relative strength of the link between two cognitive units or memory nodes is defined as the strength of one node divided by the summation of all nodes connected to the other node (strength in declarative memory assumption four). The change in activation at a particular node can be described by a differential equation, which determines that the momentary change in activation is a function of the input to the node and a spontaneous rate of decay at that node. The equation contains a parameter which governs how rapidly activation accumulates from the input converging on the node, and another parameter which governs how rapidly the activation of the node decays. The input to that node is a possible source activation plus the sum of activation from associated nodes weighted by relative strengths. Source nodes provide the “springs” from which activation flows through the network. The amount of activation provided by a source node, however, is a function of the strength of the node (spread of activation assumption five).

Figure 3.1 below demonstrates the source node (McDonalds) and memory nodes (products; meals; value; brands; quality; service; social involvement; kids/family/fun) each consisting of no more than five elements. The memory nodes present concepts or brand associations. The links between source – and memory nodes can be positive or negative, weak or strong.

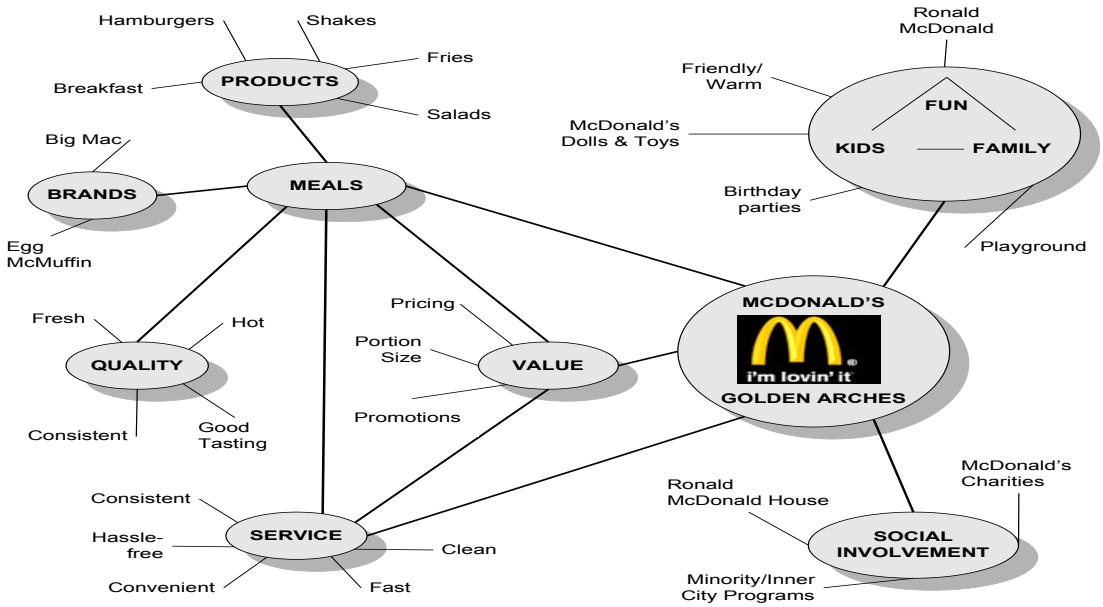

Figure 3.1: Associative network memory map: McDonald's

Source: Aaker (1996)

In summary, associative network memory models attempt to explain retrieval structures from long-term memory. It does so using *inter alia* the Adaptive Control of Thought (ACT) theory that views memory as consisting of a network of cognitive units or memory nodes of particular strength connected by links of relative strength. The cognitive units or memory nodes represent stored information and the links represent the strength of the association between the stored information of the cognitive units or memory nodes. The extent to which knowledge is retrieved from memory depends on the spread of activation process from cognitive unit or memory node to cognitive unit or memory node.

Two well-established models of brand equity, Keller (1993, 2003c) and Aaker (1991, 1996; Aaker & Joachimsthaler, 2000) that rely on cognitive psychology perspectives merits further discussion as one of the models is the basis of the current study's conceptualisation of economic harm.

3.4 BRAND EQUITY MODELS

3.4.1 The Aaker model

Aaker (1991, 1996; Aaker & Joachimsthaler, 2000) approaches brand equity from a managerial and corporate strategy perspective, underpinned by consumer behaviour. Brand equity consists of a set of four categories of brand assets or liabilities linked to the

brand's name or symbol. The four categories of assets or liabilities are: brand awareness, perceived quality, brand associations and brand loyalty. As an asset, a category can provide value to the company (brand owner) and/or customers. As a liability, a category can subtract from the value provided to the company (brand owner) and/or customers. These concepts and other models relating thereto developed by Aaker, justify some further explanation.

Brand awareness is the "…ability of a potential buyer to recognise or recall that a brand is a member of a certain product category" (Aaker, 1991, p. 61) and as such implies a link between product class and brand. Perceived quality is the "…consumer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives" (Aaker, 1991, p. 85). Perceived quality is unique as a concept as it implies relativity to a specific intention and is intangible in character, representing the overall feeling about the brand. Brand associations are "…anything 'linked' in memory to the brand" (Aaker, 1991, p. 109).

Figure 3.1 demonstrates how the McDonald's name is linked to the character of Ronald McDonald, a consumer segment of children, a feeling of having fun and so forth. Associations also have levels of strength (as explained above in the associative network memory model theory). When associations are clustered in sets, the result of such a cluster is called a brand image. In the example of McDonald's, a cluster relates to for example children, service and type of food. Brand loyalty is "…a measure of the attachment that a customer has to a brand" (Aaker, 1991, p. 39) and indicates how likely a customer will switch to another brand when the brand changes its features and price. As such, it can be said that as brand loyalty increases, the vulnerability of the customer base to competitive action decreases.

The value (brand equity) provided by these four categories of assets are henceforth described collectively and not individually as it is not the purpose of this section to provide a detailed individual breakdown of separate category value (brand equity) contribution, but only to provide a collective overview thereof. Brand awareness, perceived quality, brand associations and brand loyalty add value to the customer as it enhances the interpretation and processing of information, the confidence in the purchase decision and use satisfaction (Aaker, 1991). Brand equity provides value to the company as it enhances the efficiency and effectiveness of marketing programs, brand loyalty, prices/margins, brand

extensions, trade leverage and competitive advantage. A category or any combination of all the four categories become liabilities should they decrease, instead of enhance value (brand equity) to the customer or company. This will happen for example when brand associations are diluted and as such does not offer the customer a confident purchase decision or use satisfaction.

Perceived quality and brand associations can also be conceptualised as brand identity, a construct proposed by Aaker (Aaker, 1996; Aaker & Joachimsthaler, 2000) that is part of the Brand Identity Planning model. Brand identity is determined strategically and driven by customer -, competitor – and self analyses. Brand identity consists of an essential identity (a single thought that captures the soul of the brand), a core identity (two to four dimensions that compactly summarise the brand vision) and an extended identity (all the brand identity elements not in the core, organised into meaningful groupings). The brand identity is determined by associations organised around four perspectives that consist of twelve dimensions. The first perspective relates to the brand as product and its dimensions are associations relating to the brand's product scope, product attributes, quality/value, uses, users and country of origin. The second perspective relates to the brand as organisation and its dimensions are associations relating to the brand's organisational attributes and the 'localness' or 'globalness' of the company. The third perspective relates to the brand as person and its dimensions are associations relating to the personality of the brand and its relationship with customers. The fourth perspective relates to the brand as symbol and its dimensions relate to associations with its visual imagery/metaphors and the heritage of the brand.

These four perspectives and their appropriate dimensions combine to create a relationship between the brand and the customer by generating a value proposition involving functional, emotional or self-expressive benefits and creating credibility. Functional benefits refer to what the product or service actually does (functional utility) while emotional benefits refer to how the consumer feels when he/she uses the product or service. Self-expressive benefits refer to what is communicated to significant others about the consumer when he/she uses the product or service. Credibility may be provided by an endorser brand instead of a value proposition. This is the case where there is a corporate brand (for example Ford) with multiple product brands (for example Ford Fiesta).

3.4.2 The Keller model

Keller (1993, 2003b) approaches brand equity from a consumer behaviour perspective and defines brand equity in terms of the differential effect it has on consumer response. As such, brand equity can be positive if the reaction to a product or services' marketing is more favourable when the brand is revealed compared to when it is not, in which case brand equity will be negative. In the Keller model, brand equity consists of two dimensions: brand awareness and brand associations. Brand awareness is measured in terms of recall and recognition while brand associations are measured in terms of strength, favourability and uniqueness. Brand awareness and – associations are built by establishing six core brand values namely brand salience, brand performance, brand imagery, brand judgements, brand feelings and brand resonance. The objective of brand salience is to build the brand's identity. The objective of brand performance and brand imagery is to create brand meaning. Brand judgements and feelings produce a response to the brand while brand resonance creates a brand relationship. Brand identity and brand meaning is called brand familiarity or brand knowledge, brand response is referred to as brand attitude and the brand relationship is referred to as brand loyalty. Brand meaning consists of brand attribute associations that are product or non-product related and brand benefit associations. Brand attitude consists of brand attitude associations. Brand attitude, brand attribute and brand benefit associations are collectively referred to as the brand image.

Brand salience refers to brand awareness that relates to the consumers' ability to recall and recognise a brand as well as linking the brand to certain associations in memory. Brand performance relates to ways in which the product or service attempts to meet the consumers' more functional needs. The attributes and benefits underlying brand performance include primary ingredients and supplementary product or service features; product or service reliability, durability and serviceability; service effectiveness, efficiency and empathy; style and design; and price. Brand imagery refers to ways in which the product or service attempts to meet the consumers' psychological or social needs. The intangible association clusters linked to the brand include users; purchase and usage situations; personality and values; and history, heritage and experiences. Brand judgements focus on the consumers' personal opinions and evaluations regarding the brand. Four types of summary brand judgements are particularly important: brand quality; brand credibility; brand consideration; and brand superiority. Consumers' emotional responses and reactions to the brand are referred to as brand feelings. Important brand-

building feelings include warmth; fun; excitement; security; social approval; and self-respect. Brand resonance is the ultimate relationship and level of identification the consumer has with the brand and can be broken down into four categories: behavioural loyalty; attitudinal loyalty; sense of community and active engagement.

3.4.3 Conceptualisation model for current study

Initially brand equity was believed to be represented by the market value of the brand, driven by brand image and other non-image factors (Biel, 1991). Brand image (as represented by the image of the provider of the product/service or organisation; the image of the user; the image of the product/service itself) and all non-image factors (market growth; profit margins, *et cetera*) were seen to contribute to brand equity and were therefore drivers of brand equity that contributed toward the brand's market value. However, this definition was somewhat limiting because it did not incorporate the concept 'brand loyalty'. This limitation was overcome by presenting brand equity as having five dimensions (Aaker, 1991), namely brand awareness; perceived quality; brand associations other than quality (brand image in this construct is a set of brand associations organised in some meaningful way around a strategised concept); customer base (brand loyalty); and other proprietary assets (Aaker, 1991; Kirmani & Zeithaml, 1991). These dimensions are in turn driven by what Aaker (1996) calls primary drivers of brand equity. Brand awareness is, for example, driven by advertising, perceived quality by product design, brand associations by positioning and brand loyalty by experience. Aaker (1991) defines these variables (that can add to or detract from the value provided by the brand to the brand holder or brand user) from a managerial and strategic perspective to assist the brand holder in determining how he wants to project its brand (image) to consumers.

Keller (1993, p. 2) on the other hand, conceptualises brand equity, based on an earlier definition of Kamakura and Russel (1993), from the perspective of the individual as he sees consumer brand knowledge as the organisation's most valuable brand equity asset aimed specifically at improving marketing productivity. He defines "…customer-based brand equity as the differential effect of brand knowledge [familiarity] on consumer response to the marketing of the brand". Three important concepts emerge that need further elucidation: differential effect, brand knowledge (familiarity) and consumer response.

Differential effect means that a consumer will react more favourably to an element of the marketing mix of the relevant brand compared to the same element of the marketing mix of another unnamed or fictitiously named product or service. The differential response of consumers to a brand is determined by the strength, favourability and uniqueness of the brand's associations. If a brand and a prototypical product or service in the same category is seen as the same by the consumer, then the brand does not have strong, favourable or unique brand associations. However, if the consumer is able to differentiate between the brand and the prototype, then there are strong, favourable and unique brand associations.

The nature of how responses vary depends on the consumers' evaluations of the relevant brand associations as well as the marketing mix element under consideration (Keller, 1993: 8). Brand knowledge (familiarity) refers to consumers' awareness and image of the brand based on the characteristics and relationships of the brand's associations. Consumer response is consumers' response to the marketing of the brand via the marketing mix activities as evidenced by consumer perceptions, preferences and behaviour. Brand knowledge (familiarity) drives brand equity that can be defined as either negative or positive, and therefore brand knowledge (familiarity) indirectly contributes in creating the coveted differential effect (Keller, 2003c, p. 64) referred to above.

Brand equity is positive if consumers react more favourable to its marketing mix activities than they do to the same marketing mix when it is attributed to a fictitiously named or unnamed version of the product or service. Conversely, brand equity is negative if consumers react less favourably to its marketing mix activities than they do to the same marketing mix when it is attributed to a fictitiously named or unnamed version of the product or service. Customer-based brand equity therefore occurs when consumers are familiar with the brand (aware of the brand) and has some strong, favourable and unique associations (brand knowledge) in memory in terms of the brand to which they respond. Their response in turn, is effected by consumer attitude (how consumer judges and feels about a brand), mediated by brand loyalty (the relationship the consumer has with the brand) and moderated by brand familiarity (the awareness consumers have of the brand and what it means).

The Aaker (1991, 1996) and Keller (Keller, 1993, 2003c) conceptualisations of brand equity have received support and have been empirically validated and scientifically proven. Although these conceptualisations are defined from different perspectives (one from a

managerial or strategic perspective, Aaker, and the other from a consumer or customer perspective, Keller), both conceptualisations recognise the same central concepts namely, brand awareness and brand associations (brand familiarity) and brand loyalty. The Keller model however, has a strong focus on brand attitude (what consumers think and feel about a brand) that is absent in the Aaker model. As brand attitude is the central operational construct in this study, the Keller model is used. Brand attitude, brand familiarity and brand loyalty are discussed extensively in Chapter 5 as well as brand activity, the result of brand attitude, brand familiarity and brand loyalty.

It is a well-accepted fact that brand equity and its drivers are important because it provides a method that can be used to estimate the financial value of a brand for accounting purposes. The customer-based brand equity construct can be used to improve marketing productivity and increase the efficiency of marketing expenses. The construct also provides a way to understand the value created by the brand and how to exploit that value by developing profitable brand strategies (Keller, 1993; Wentz, 1989). The manner in which brand equity can and has been measured based primarily on the psychological-based approach in Keller's conceptualisation of customer-based brand equity needs to be analysed next.

3.5 MEASURING BRAND EQUITY

The purpose of a brand equity measurement system is to enable the company to manage its brands and maximise their value (brand equity). To do this, the company must measure the value of the brand's equity in monetary terms or/and investigate the manner in which brand equity is created. If the brand's equity is measured in monetary terms it is believed to be measured directly because the outcome of brand equity, market performance and shareholder value, are measured. If the manner in which brand equity creates value is measured, it is said to be measured indirectly because the source of brand equity, consumer mindset or brand knowledge, is measured.

Pappu, Quester and Cooksey (2005) concur that brand equity can be measured based on a financial perspective where the value of the brand to the company is stressed or based on consumers' perspectives where the value of the brand to the consumer is the departure point. According to Mackay (2001) the brand equity measurement construct must be selected based on the required unit of analysis: if the source of brand equity is investigated a direct approach to measurement is appropriate; if the added value of the brand is

investigated, the indirect approach is appropriate. The direct approach to measuring brand equity is objective in nature as it uses shareholder value and market share as determinants. The indirect approach is subjective in nature because it measures brand equity as a response to marketing decisions via the consumer.

The Brand Value Chain model has also been suggested by Keller and Lehmann (2006, p. 27) as it helps marketers trace the value-creation process for their brands and helps them to understand the financial impact of their marketing expenditures on investments. The brand value chain suggests different measurement approaches because different individuals within an organisation need different types of information to make brand-related decisions. This measurement approach also corresponds with how brand value is created. If the psychological-based approach to brand equity conceptualisation is accepted as foundation for a study (as it is in this instance), it can be argued that brand value resides within the minds of customers. As such, the value creation process begins with a marketing program aimed at actual or potential customers. The marketing activity (via brand awareness; brand associations; brand attitudes; brand loyalty; brand consumer behaviour) associated with the marketing program influences the customer mindset or knowledge in respect of the brand. The mindset or knowledge of a group of customers then collectively results in the brand's performance in the market (via price premiums and elasticities; market share; expansion success; cost structure; profitability). In turn, market performance affects shareholder value in general and brand value in particular via stock price and market capitalisation.

Certain factors, called multipliers, intervene between the three value creation steps and as such determine how the value created at one stage is transferred to the next stage. The program quality multiplier intervenes between the marketing program investment and the customer mindset or knowledge, the market place conditions multiplier intervenes between the customer mindset or knowledge and market performance and the investor sentiment multipliers intervene between market performance and shareholder value. This conceptualisation resembles an earlier conceptualisation by Kirmani and Zeithaml (1991) that identified brand knowledge (or brand image) as a customer - or marketing variable driving brand equity. A similar approach has also been suggested by Epstein and Westbrook (2001) who propose a model called the Action-Profit Linkage model that helps organisations identify, measure and understand the causal links between actions and profits. However, this model is conceptualised based on business strategy that

incorporates brand equity only as a secondary component of the customer action dimension.

The Brand Value Chain model is the only amalgamated framework of different streams of research addressing how brand equity could be measured directly and indirectly. This study will use the Brand Value Chain model with a specific focus on consumer mindset and brand knowledge. The indirect approach to measuring brand equity is therefore discussed in more detail.

3.5.1 Indirect measurement of brand equity (consumer mindset or brand knowledge)

Brand equity cannot be fragmented into separate independent components isolating a particular variable of interest, such as favourable consumer perceptions. To solve this problem researchers have divided brand equity into different inter-related dimensions based on conceptualisation approaches (see 3.2 above). If brand equity is defined based on consumers' memory-based associations, the conceptualisations of Keller (1993, 2003b) and Aaker (1991, 1996; Aaker & Joachimsthaler, 2000) receive the most support from researchers. Aaker's (1991, 1996; Aaker & Joachimsthaler, 2000) conceptualisation of brand equity management is used for brand equity research that is strategy-based while Keller's (1993) conceptualisation of brand equity is used for brand equity research that is customer based. Aaker's (1991) conceptualisation of brand equity management have been utilised by numerous researchers like Montameni and Shahrokhi (1998); Low and Lamb (2000); Prassad and Dev (2000); and Yoo and Donthu (2001) whose brand equity research had an internal strategic focus. Keller's (1993) conceptualisation of brand equity is customer-based in therefore has an external focus. Academic research of brand equity is primarily based on Keller's (1993) conceptualisation with its external focus on customer-based brand equity. According to Keller (1993) and Aaker (1991), customer mindset or brand knowledge can be measured along five dimensions (brand awareness; brand image; brand attitudes; brand loyalty and brand activity (the extent to which customers use the brand, talk about the brand, seek out the brand, *et cetera*)).

Kim, Kim and An (2003) note that, based on prior research, brand equity depends on two considerations namely consumer perception and consumer behaviour. Consumer perception includes brand awareness, brand associations and perceived quality or brand attitude. Consumer behaviour includes brand loyalty and the willingness to pay a high

price premium. If a brand equity conceptualisation does not include both consumer perception and consumer behaviour, they are by definition separate entities, implying that consumer behaviour is a consequence of brand equity (consumer perception) rather than equity itself (Lassar, Mittal, & Sharma, 1995). For the purposes of this research the integrated approach is accepted (consumer perception and – behaviour constitute brand equity) as the un-integrated approach does not provide a relational measure (Myers, 2003). The Aaker (1991) and Keller (2003b) models conceptualise brand equity as consisting of both consumer perception and consumer behaviour.

Brand awareness, as reflector of the salience of the brand in consumers' minds, is measurable on different levels. Aaker (1996) suggests six levels: recognition; recall; top-of-mind; dominance; knowledge and opinion. The appropriate measurement level is determined by the type (for example for niche brands recognition is more important) and category (for example in a particular industry recognition is more important than recall) of brand as well as the focus of information (for example on brand tangibles only or brand tangibles as well as its relatedness to certain brand intangibles) required. For Keller (2003b) brand salience firstly measures the depth of brand awareness, the likelihood that a brand element will come to mind (brand recall), and the ease with which it does so (brand recognition). Secondly, it refers to the breadth of brand awareness, referring to the range of purchase and usage situations in which the brand element comes to mind.

Aaker (1991, p. 109) differentiated association types as part of his concept brand image, defined as "...a set of associations, usually organised in some meaningful way". The association types include product attribute, intangibles, customer benefits, relative price, use or application, user or customer, celebrity or person, life style or personality, product class, competitors and country or geographic area. Aaker (1996) later structured these association types around four perspectives of the brand according to the brand as product, person, organisation and symbol. For Keller (2003c) brand associations relate to how the brand performs and how the brand is imagined and these associations are measured in strength, favourability and uniqueness. The dimensions of Keller's (2003b) brand performance and brand imagery correspond with Aaker's (1991) conceptualisation of association types.

Other measurement methods for brand associations have also been proposed. Park and Srinivasan (1994) proposed a measurement method that depends on the multi-attribute

preference model to improve the understanding of the sources of brand equity. In terms of their model brand equity is divided into attribute-based (attribute refers to product characteristic or benefit) and non-attribute-based components. The attribute-based component relates to the impact of marketing activities on the consumers' attribute perceptions and is represented by the difference between subjectively perceived and objectively measured attribute levels. The non-attribute-based component relates to brand associations unrelated to product attributes. However, this proposed approach is probably more relevant to research pertaining to the brand image specifically, especially in the light of contemporary brand equity research.

Dillon, Madden, Kirmani and Mukherjee (2001) use a bi-component brand rating system comprising brand specific associations (features, attributes or benefits that consumers link to a brand and that differentiate it from competition) and general brand impressions (based on a holistic view of the brand) to propose a model for measuring brand and attribute effects and their relationship to brand equity. Brand associations have been posited to be measureable directly or indirectly (Kim, et al., 2003). It is measured indirectly if brand awareness, characteristics and relationships among brand associations are measured. It is measured directly using experiments where one group of customers responds to an element of the marketing program assigned to the brand while another group of customers responds to the same element when it is attributed to a fictitiously named or unnamed version of the product or service. A researcher will select either of these measurement approaches or both, based on the research question and research objectives of his/her particular study. Brand familiarity, a concept that encompasses both brand awareness and – identity is treated in Chapter 5 in more detail.

Brand attitudes, defined by Keller (1993, p. 4) is the "…consumers' overall evaluations of a brand". As such, it forms the basis for consumer behaviour and is conceptualised as consisting of brand judgements and – feelings. For Keller (2003c) brand judgements focus on the consumer's personal opinions and evaluations with regard to the brand. These brand judgements can be into four categories and measured as brand quality, brand credibility, brand consideration and brand superiority. Brand feelings are the "...customers' emotional responses and reaction with respect to the brand" (Keller, 2003b, p. 90) and are divided into two categories: feelings that are experiential and immediate, and private and enduring. Experiential feelings can be measured on warmth, fun and excitement dimensions while private feelings can be measured in terms of security, social approval

and self-respect. Aaker (1991, 1996) do not define attitudes explicitly but do discuss the concept 'perceived quality' and defines it as "…the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives" (1991, p. 85). Kirmani and Zeithaml (1991) conceptualise brand attitude as a more complex construct than perceived quality as it contains elements relating to affective and cognitive dimensions. The affective and cognitive nature of brand attitude and how it can be measured is extensively discussed in chapter five.

Brand loyalty is "…a measure of the attachment that a customer has to a brand" (Aaker, 1991, p. 39). Brand loyalty can be measured (Aaker, 1991, pp. 43-46) with consumer behaviour (measuring purchase patterns); switching costs (as defined by product or system investment or risk of change); satisfaction (or dissatisfaction); liking of the brand (scaled in terms of liking, respect, friendship, trust and defined in terms of price premium prepared to pay); and commitment (amount of interaction and communication involving the product or service). In later work, Aaker (1996) seem to favour liking of the brand and brand satisfaction as primary measurement indicators of brand loyalty. For Chaudhuri and Holbrook (2001) brand loyalty has behavioural and attitudinal characteristics. Behavioural characteristics refer to brand purchases and attitudinal characteristics refer to commitment in terms of the brand's unique value proposition. The authors (Chaudhuri & Holbrook, 2001) showed empirically that purchase loyalty and attitudinal loyalty respectively led to greater market share and higher relative price for the brand. Keller (2003b) also indicates that brand loyalty is measurable on multiple dimensions namely behavioural loyalty; attitudinal attachment; sense of community; and active engagement. The brand loyalty of customers has also been categorised for measurement purposes as non-consumers/non-users; price switchers; passively loyal; fence sitters; committed clients by Seetharaman, Nadzir and Gunalan (2001). Brand loyalty is treated in more detail in Chapter 5.

Brand activity refers to the extent to which customers use the brand, talk to others about it, and seek out brand information, promotions and events. It is debateable whether brand activity constitutes a separate dimension of brand equity measurement constructs or if it only suffices to provide a contextual background to certain brand equity measurement constructs. It can certainly be argued that it corresponds with Keller's (2003b) resonance dimension in the customer-based brand equity pyramid that in turn corresponds with Aaker's (1991) loyalty dimension. If indeed it is a separate construct, empirical evidence to the fact must still be offered.

3.5.2 Direct measurement of brand equity (market performance and shareholder value) and its multipliers (marketplace conditions and investor sentiment)

The reaction of customers to the brand (market performance) can be described or measured in terms of price premiums (how much extra are customers willing to pay for a comparable product because of the brand); price elasticities (how much does demand for the brand increase or decrease when the price rises or falls); market share (the success of the marketing program in driving brand unit sales); expansion success (the success of the brand in supporting line and category extensions and new product launches into related categories); cost structure (the ability to reduce marketing programme expenditures for the brand because of the prevailing customer mindset); and profitability (a combination of the previous five dimensions). In this instance investor sentiment (market dynamics; growth potential; risk profile; brand contributions) is the external factor regulating how much brand performance value is translated to shareholder value (Keller & Lehmann, 2006). The opinions and assessments of the marketplace are called shareholder value.

Another similar but slightly different school of thought (Seetharaman, et al., 2001; Winters, 1991) suggests four methods of measuring brand equity as it relates to market performance and shareholder value: a cost-based approach; a market-based approach; an income-based approach and a formulary approach. In the cost-based approach the brand is valued by considering the cost involved in developing the brand. In the market-based approach the value of the brand is based on the amount at which a brand can be sold. The income-based approach focuses on the future potential of the brand. The formulary approach involves multiple criteria in determining the brand's value.

In conclusion, marketplace conditions (competitive reactions; channel support; customer size and profile) determine whether the value inherent to the customer mindset is translated to the next stage, namely brand performance. Keller and Lehmann (2006) believe that translation from customer mindset to brand performance can only occur if competitors do not provide significant threats, channel members and other intermediaries provide strong support and a sizeable number of profitable customers are attracted to the brand. For the purposes of this study this multiplier is not taken into consideration in its totality because competitive reactions and channel support should not influence customer attitude. Customer size and profile are taken into account with both the trademarks/brands selected as independent variables and the respondents selected for participation.

Brand equity, conceptualised from the psychological perspective based on associative network memory, measured indirectly as brand familiarity, brand attitude and brand loyalty, can be relative in strength. Strong brand equity translates directly to awards and advantages for both the brand owner and brand user and is therefore the primary aspiration of all brands.

3.6 STRONG BRAND EQUITY

A strong brand is a brand with positive brand evaluations, accessible brand attributes that impact on consumer purchase behaviour and a consistent brand image that forms a relationship with the consumer (Farquhar, 1989). Aaker (1991) views the advantages of brands with strong equity according to their brand equity drivers, namely brand awareness, brand associations, perceived quality and brand loyalty. Brand awareness, the anchor to which other associations can be linked, represents familiarity and liking, signals substance and commitment and introduces the brand into the consumer's consideration set. Brand associations facilitate the retrieval of information processes but also differentiate and position the brand in addition to being a reason to buy the brand. Brand associations create positive feelings and attitudes while strengthening brand extensions. Perceived quality is a reason to buy the brand while differentiating and positioning the brand, improves channel member interest and makes brand extensions possible. Brand loyalty reduces marketing costs, increases trade leverage, attracts new customers because it creates brand awareness and reassurance as well as giving the brand owner time to respond to competitive threats. Strong brand equity also implies that the brand is protectable as a trademark. For the customer strong brand equity implies an enhancement of the customers' interpretation and processing of information, confidence in the purchase decision and use satisfaction. For the brand holder strong brand equity implies efficiency and effectiveness of marketing programmes, brand loyalty, higher profits and increased margins, brand extensions, trade leverage and competitive advantage. A strong brand has favourable consumer responses, enhanced revenue, lower costs and greater profits as well as, increased probability of brand choice, greater consumer loyalty, decreased vulnerability to competitive marketing actions, more inelastic consumer response to price increases, more elastic consumer response to price decreases, greater trade cooperation and support, increased marketing communication effectiveness, possible licensing opportunities and additional brand extension opportunities (Keller, 1993). Kapferer (1997) identified three principal generators of brand profitability that can also be used as parameters of brand strength or indicators of strong brand equity. Firstly, a higher price

differential is allowed for a branded product compared to a non-branded product. Secondly, the differential attraction and loyalty attributable to a branded product is stronger. Thirdly, the differential of the margin coming from economies of scale for a branded product and the consequences of being market leader when such is the case, is greater. A brand with high brand equity levels implies that the brand is strong as high brand equity levels is the result of increased consumer preferences and purchase intentions that in turn lead to a higher share price (Pappu, et al., 2005).

Interbrand, the world's largest brand consultancy company (Interbrand: Creating and managing brand value, 2012), ranks brands according to three key components: (1) financial analysis (forecasted current and future revenue specifically attributable to the brand); (2) brand analysis (how the brand influences customer demand at the point of purchase); and (3) brand strength (ability of the brand to ensure ongoing customer demand). Based on these parameters a list is provided of the world's strongest 20 brands accompanied and justified by its brand value (in dollars). The significance of the brand value reflected in Table 3.1 is that the amount excludes any movable and immovable assets and is a pure reflection of the goodwill inherent to the brand. Brands, as illustrated below, are entities that create and represent value on an intangible level over and above physical assets.

Table 3.1 Strongest global brands 2012

Rank	Brand	Brand value ($m)	Rank	Brand	Brand value ($m)
1	Coca-Cola	77 839	11	Mercedes-Benz	30 097
2		76 568	12		29 052
3	IBM	75 532	13	Disney	27 438
4	Google	69 726	14	cisco	27 197

5	Microsoft	57 853	15	hp	26 087
6	GE	43 682	16	Gillette	24 898
7	McDonald's	40 062	17	LOUIS VUITTON	23 577
8	intel	39 385	18	ORACLE	22 126
9	SAMSUNG	32 893	19	NOKIA	21 009
10	TOYOTA	30 280	20	amazon	18 625

Source: (Interbrand: Creating and managing brand value, 2012)

The goodwill represented in Table 3.1 above is referred to as brand equity. Brand equity consists of three elements: brand familiarity, brand attitude and brand loyalty and the resultant purchase behaviour. Brand equity and its relative strength are the direct result of marketing investments over an extended period of time and the brand value therefore represents both investment and effort. The basis of trademark/brand protection in terms of section 34(1)(c) is to protect the senior user against a junior user who usurps the goodwill of the senior user's trademark/brand unfairly and dilutes the character and reputation of the trademark/brand. The purpose of this study is to determine if brand value or brand equity, can in the first instance be harmed if the trademark/brand is blurred or tarnished and in the second instance what the nature and quantum of such harm is.

Six preliminary research questions can now be formulated within the context of the conceptualisation of customer-based brand equity:

- Research question one: Do tarnishing and blurring have an effect on customer-based brand equity when trademarks/brands are considered together?

- Research question two: Does tarnishing have an effect on customer-based brand equity when trademarks/brands are considered individually?
- Research question three: Does blurring have an effect on customer-based brand equity when trademarks/brands are considered individually?
- Research question four: Is the effect of tarnishing and blurring on customer-based brand equity different or similar when trademarks/brands are considered individually?
- Research question five: Is the effect of tarnishing on customer-based brand equity different or similar when trademarks/brands are compared?
- Research question six: Is the effect of blurring on customer-based brand equity different or similar when trademarks/brands are compared?

However, the criticism against the construct of brand equity is briefly discussed before the next chapter commences that addresses the manner in which trademark dilution (tarnishing and blurring) have been investigated to date.

3.7 CRITICISM AGAINST CONSTRUCT OF BRAND EQUITY

The effect of 'double jeopardy' was first discussed by McPhee in 1963 and validated in subsequent work by Ehrenberg, Goodhardt and Barwise (1990) and Ehrenberg, Barnard and Scriven (1997). Ehrenberg, Goodhardt and Barwise (Chaudhuri, 1995) use the concept 'double jeopardy' to justify the statement that brand equity does not exist. The argument is based on the premise that large market share brands have a greater number of buyers compared to small share brands as well as a higher repeat purchase rate among buyers compared to small share brands. As such, the notion that some brands have more potential than other brands based on their brand equity, value or growth potential "…is misleading and market share is all that managers should try to increase" (Chaudhuri, 1995, p. 26). However, repeat purchasing as well as consumer attitudes are both directly (through double jeopardy) as well as indirectly (as building block of brand equity) related to brand outcomes. Dyson, Farr and Hollins (1996) concur with the scientific validity of the 'double jeopardy' concept and suggest that its effect should not be ignored in marketing and market research practices. They therefore take the effect of the 'double jeopardy' concept explicitly into account in the development of their Consumer Value Model by including a survey-based measurement of brand size. Feldwick (1996) on the other hand does not agree with the 'double jeopardy' hypothesis in the context of brand equity. Feldwick (1996) argues that brand equity measurement should not be an indication of

brand strength primarily based on the brand size because that would be viewing brand strength and brand size as the same concept. Baldinger and Rubison (1996) see the merit of the 'double jeopardy' concept. But, they warn that although large-share brands have more loyal buyers, it does not imply that they will be retained at a higher rate over time. In addition they argue that the 'quality' of the high-loyalty buyer should also be taken into account: high-loyalty buyers with consistent attitudes stay loyal to the same brand while high-loyalty buyers with inconsistent attitudes do not. The essential difference between 'double jeopardy' and brand equity is that the former does not acknowledge the importance of marketing activities on consumer behaviour while the latter does (Keller, 2003b). De-emphasising marketing activities like advertising and brand image building as well as maintenance will influence market growth and maintenance and cannot be ignored.

3.8 SUMMARY

Brand equity is a conceptual framework with multiple dimensions that aims to explain how a brand adds value to a product and/or service over and above what the product/service actually does. The manner in which added value is added can be conceptualised from different perspectives, but for this study the approach based on consumer memory is used. According to this approach brand equity is represented by a brand name in memory, to which is linked other concepts or nodes. The links between the brand name and concepts and nodes are called associations which vary in strength, favourability and uniqueness. Two well-researched and empirically validated models of brand equity based on the psychological-based approach were discussed and their components explained. In terms of the Aaker (1991, 1996) model brand equity is defined from a strategic perspective while in terms of the Keller (1993, 2003) model brand equity is defined from a customer perspective. A comparison between the two models showed that both models included the constructs brand familiarity and – loyalty, but only the Keller (1993, 2003b) model treats brand attitude. Brand attitude and the resultant consumer behaviour are used in the current study to operationalise customer-based brand equity to investigate the influence of trademark/brand dilution. The manner in which customer-based brand equity could be measured, namely directly or indirectly was discussed next. It was argued that for the research purposes of this study the indirect method of measuring customer-based brand equity was more appropriate as it is more conducive in determining economic harm as a result of trademark/brand dilution.

Within the context of the customer-based brand equity construct and the evidentiary burden resting on a senior mark when trademark dilution should be proven (Chapter two), six preliminary research questions were formulated. The research questions addressed the objective of determining the nature and extent of trademark tarnishing and blurring for amalgamated and individual trademarks/brands. The chapter concluded with a brief summary of the criticisms against the brand equity construct but discarded same as not relevant because the premise of the arguments is based on the inclusion/exclusion of value drivers. Chapter four will address how trademark dilution has been approached to date in order to justify the utilisation of using customer-based brand equity as a construct to measure the nature and extent of trademark/brand dilution.

CHAPTER 4
EVIDENCING TRADEMARK DILUTION

4.1 INTRODUCTION

Chapter two defined brands and trademarks and summarised their historical development. The chapter also discussed the functions of trademarks and brands within the context of providing value to its owners. The value trademarks and brands create can be eroded through tarnishing (making the trademark/brand less favourable) and/or blurring (making the trademark/brand less distinct). Legislation enables a trademark/brand owner to protect his brand against dilution. Courts in the Republic of South Africa and the United States of America respectively require that a likelihood of substantial economic harm to the trademark/brand be demonstrated or a likelihood of dilution. The parameters of demonstrating harm to the trademark/brand were summarised. Chapter three demonstrated that trademark value and brand equity were similar constructs. The conceptualisation of brand equity was discussed based on the psychological approach and its two most researched models. The first model was conceptualised by Aaker (1991) and conceptualises brand equity from a strategic perspective. The second model was conceptualised by Keller (1993) and conceptualises brand equity from a customer-based perspective. Both models have similar elements in common and these were also discussed. The chapter formulated six preliminary research questions that aimed at determining the nature and extent of the effect trademark dilution has on customer-based brand equity for amalgamated and individual trademarks/brands. Before the research questions can be finalised and the hypotheses formulated, the manner in which empirical evidence has been used to illustrate trademark dilution will be discussed (Chapter 4) and the specific components posited to be affected will be argued (Chapter 5).

Chapter four will therefore discuss how empirical evidence has been used to illustrate trademark dilution, specifically in the United States of America where it is used more frequently compared to the Republic of South Africa. Different types of surveys are reviewed and examples provided of how they were used in actual litigation. The nature of different kinds of experiments is discussed against the background of their academic contribution to the debate on trademark/brand dilution. The chapter then analyses relevant theory and case law to explore the quantum (extent) of dilution that is actionable. Chapter

four concludes with a short discussion on the conceptualisation of the harm caused to trademarks/brands by dilution.

4.2 THE NATURE OF TRADEMARK DILUTION

This section of the chapter recaps the elements needed to evidence dilution in South Africa and the United States of America as discussed in Chapter two. The elements are discussed as a contextualising basis for utilising empirical evidence in showing trademark/brand dilution.

4.2.1 A South African perspective on trademark dilution

A trademark is regarded as diluted in South Africa in terms of section 34(1)(c) of the Trade Marks Act 194 of 1993 (Trade Marks Act 194 of 1993 as amended by Intellectual Property Laws Amendment Act 38 of 1997 of South Africa) if its character becomes less distinctive (blurred) or its reputation less attractive (tarnished) because of the use of another identical or similar trademark on any products or services notwithstanding the absence or likelihood of confusion or deception. The concept 'unfair advantage' is ignored for the purposes of this study in line with Rutherford's (2006) view that describes 'unfair advantage' as a benefit accruing to an infringer (junior user) because the junior user takes an unfair advantage through use of the senior mark rather than cause detriment (dilution) to a senior user because of infringing use (blurring or tarnishing). The result of the loss of distinctiveness or uniqueness (blurring) of the trademark's character or the lessening of attractiveness or favouritism in respect of its reputation should according to the Constitutional Court in the *Sabmark* case (Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae), 2006 (1) SA 144 (CC)), amount to a likelihood of substantial economic harm. An aggrieved party wishing to approach a court for relief bears the onus of firstly showing use of a registered trademark or a mark similar thereto; that such a trademark is secondly well-known in South Africa; that the use is likely to take unfair advantage of or be detrimental to the distinctive character or repute of the registered trademark in the third instance; finally that the use occurred in the course of trade in relation to any products or services; and that the use is in the fifth instance unauthorised (Webster, et al., 1997). The purpose of this study is *inter alia* to investigate how detriment to the distinctive character or repute of the registered trademark can be empirically demonstrated to illustrate economic harm. Therefore, similarity between the senior mark and junior mark; the senior mark being well-known; use by the junior mark occurring in the course of trade; and use being

unauthorised by the senior mark, are not further discussed, but assumed to exist to satisfy the threshold of the statutory requirement.

In order to determine whether a defendant's use of a trademark is detrimental to the character or repute of the registered trademark, Webster, et al. (1997) suggest that three factors will play a role. In the first instance the court will consider whether the registered trademark is inherently distinctive or whether it has acquired distinctiveness through use over time. Secondly, the extent of use by the third party of the same or a similar mark will be considered. Finally, the degree of recognition of the registered trademark on its own and in the defendant's channels of trade will be considered. However, even if an applicant can demonstrate the best possible scenario, namely that his trademark is inherently distinctive, it has not previously been used by third parties and that it has thus become diluted and is recognised as unique in the defendant's channels of trade, a court will require (after the judgement in the *Sabmark* case) that the applicant (senior mark) show that use of the registered trademark lead to a likelihood of substantial economic harm.

In the United Kingdom proof of actual dilution is required (Trade Marks Act 1994) when a trademark wants anti-dilution protection. A requirement of actual dilution is different from a requirement of likely dilution (required by American courts) and likely substantial economic harm (required by South African courts). The United Kingdom Trade Marks Act 1994 is therefore not discussed in further detail as proof of 'actual' harm is substantially and evidentially different to a 'likelihood' of harm or dilution.

A mere statement of detriment as a result of an alleged blurring or tarnishing association based on speculation alone, will not suffice as evidence in South African courts (Dean, 2004). It needs to be proven to a court's satisfaction that an association between a senior mark and junior mark will in all likelihood result in substantial economic harm for the senior mark as represented by the commercial value and selling magnetism linked to the character and reputation of the senior mark rather than the senior mark's capacity to distinguish the products and services of one proprietor from that of another (Kelbrick, 2006). Although the Constitutional Court in the *Sabmark* case said evidence of a likelihood of substantial economic harm is required for a registered trademark to be protected in terms of section 34(1)(c), it did not elaborate on the type of evidence that will be regarded as satisfactory by a court.

Judge Moseneke, in the *Sabmark* case, suggests that the impact of the infringer's use on the average or notional consumer be determined as inference can be drawn from it and supporting evidence pleaded can be based thereon. Evidence of the impact of the infringer's use can be direct or inferential. In the case of trademark tarnishing, evidence of an unfavourable association created between the well-known (senior) mark and the allegedly infringing (junior) mark and a subsequent loss of sales because of reduced commercial magnetism of the trademark; reduced advertising capacity or loss of business opportunities, should suffice (Alberts, 2006; Kelbrick, 2006; Rutherford, 2006; Webster, et al., 1997). Although the judge did not expand on how trademark blurring should be treated, an analogous approach to trademark tarnishing would probably suffice. In a separate but concurring judgement, Judge Sachs remarked in the *Sabmark* case that evidence of how consumers will behave if they are aware of certain unfavourable details regarding a producer or manufacturer, will probably be regarded as sufficient evidence to prove tarnishing. Judge Sachs posits that if the senior mark in the *Sabmark* case - Black Label - had proven for example, that accusations of racist labour practices in the past by the beer manufacturer will likely adversely affect the eagerness of current consumers to consume the product, it could have sufficed as evidence of a likelihood of substantial economic harm.

4.2.2 The United States of America

The Trademark Dilution Revision Act of 2006 (Trademark Dilution Revision Act of 2006) in the United States of America amended American law on trademark dilution following the Supreme Court's decision in the *Moseley* case (Moseley v Victoria's Secret Catalogue, Inc., 537 U.S. 418 (2003)). Before this amendment, dilution law required proof of actual harm. The revision now provides for a likelihood of dilution test "that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury" (Webster, et al., 1997, p. 12/52). There are four elements involved in evidencing dilution (Gunnell, 2008). In the first instance the alleged dilutor's mark had to have been used in commerce, not for example as an artistic expression or to provide social commentary. Secondly, the trademark alleging infringement (senior mark) has to be famous and distinctive. The factors relevant in determining if a senior mark is famous and distinctive (Bird, 2008) include the extent of advertising and publicity of the trademark; the extent of sales offered under the trademark; registration of the trademark and the extent to which consumers recognises the trademark (niche fame does not qualify). The dilutor's

use of the senior mark should have occurred in the third instance after the senior mark became famous. Finally, the association between the dilutor's junior mark and the senior mark, resulted in a likelihood that the senior mark's distinctiveness will be impaired (blurred) or its reputation harmed (tarnished). The last element involved in proving dilution merits some further attention as it dictates the kind of association actionable in terms of the Trademark Dilution Revision Act of 2006 and whether such an association impaired the distinctiveness or negated the favourability of the senior mark – in other words, caused dilution of the trademark (Beebe, 2005-2006, 2007-2008; Holt & Duvall, 2008). Impairing distinctiveness or/and negating favourability must be the result of the dilutor's (junior) use in the first instance because consumers make an association between the infringing (junior) mark and the senior mark which they would not have made had it not been for the junior use. In the second instance the association is made because the infringing (junior) mark and senior mark are similar. Thirdly, the senior mark is perceived by consumers as a designation of source for the infringer's (junior) products or services. The association must fourthly impair the senior mark's distinctive character or negate its favourable reputation. The degree of inherent or acquired distinctiveness and favourability of the senior mark's character and reputation, the extent to which the senior mark engaged in substantially exclusive use of the mark and the degree of recognition of the senior mark are three additional factors that should be taken into account when dilution is assessed.

In the United States of America academics have differentiated between direct - and indirect evidence in trademark dilution cases (Magid, et al., 2006). Direct evidence is empirical in nature and is usually strong enough to be credible by itself. Examples include proof of a loss of revenue after eliminating all other possibilities as to the cause of revenue loss; a skilfully constructed consumer survey that shows the degree of similarity between the infringed (senior) mark and infringing (junior) marks; the degree of inherent/acquired distinctiveness of the famous (senior) mark; the degree of recognition of the famous (senior) mark and the actual association between the infringed (senior) – and infringing (junior) marks with a possible quantification as to the resulted harm thereof.

Indirect evidence is often circumstantial in nature, usually complementing direct evidence and is not strong enough to be credible on its own. In the *Ringling Brothers* case that preceded the *Moseley* case, the court indicated that circumstantial evidence served a limited role but could be used as indirect evidence that might complement other proof but that circumstantial evidence by itself was insufficient in establishing actual harm (*Ringling*

Bros.-Barnum & Bailey Combined Shows, Incorporated versus Utah Division of Travel Development, 1999). Schwarz (2004) adds that a marketing expert can argue loss of selling power due to dilution, a licensing expert can argue that extension opportunities of the trademark could be foreclosed because of a decrease in market value and a trademark valuation expert can posit that the worth of the senior mark decreased because of use by the junior mark. In addition, a jury may be asked to determine the extent of dilution and customer complaints can be lodged in form of affidavits. Providing evidence of the harm caused by trademark dilution (the proverbial death by a thousand cuts) is especially challenging as it can only be demonstrated by the aggregate, implying that the nature and extent of harm should address the aggregate effects of dilution.

The following section discusses how surveys have been used in actual American court cases and experiments in academic work to investigate harm caused by trademark dilution. As will become evident, the manner in which 'harm' was conceptualised guided the research and its sometimes unfortunate outcomes.

4.3 EMPIRICAL EVIDENCE OF TRADEMARK DILUTION

The purpose of empirically measuring the harm dilution causes to a trademark is to reduce subjectivity because subjectivity leads to inconsistencies and contradictions, creating perceptions of unfairness (Adelman, 2006). This statement is illustrated by examples from South African court cases. In the *Bata* case (Bata Ltd v Face Fashions CC and Another, 2001 (1) SA 844 (SCA)) the court did not find in favour of the senior mark (applicant) because *inter alia* no evidence was provided of detriment to the character or repute of the senior mark. In the *National Brands* case (National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd, 2001 (3) SA 563 (SCA)) the court said that the senior mark 'Romany Creams' (applicant) was not similar enough to the junior mark 'Romantic Dreams' (respondent) to qualify for protection in terms of section 34(1)(c) even though the product (biscuits) was identical. The court reached the conclusion based on the judge's linguistic analysis of how a trademark is conveyed and recognised. In contrast to the *National Brands* case, the court in the *Albion* case (Albion Chemical CO (Pty) Ltd v F A M Products CC, 2004 (6) SA 264 (C)) found that the respondent's junior mark 'All Blax' bleach would harm the character or reputation of the applicant's senior mark 'Albex' bleach. In the *Sabmark* case (Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae), 2006 (1) SA 144 (CC)) the Constitutional Court found that unless evidence is provided of a likelihood of substantial economic harm to the

trademark (senior mark) as a result of harm to its character or reputation, a senior mark (Black Label) cannot be awarded with protection in terms of section 34(1)(c). However, the Constitutional Court did not provide directions as to the type of evidence that would satisfy a court.

In an article discussing the *Sabmark* case Rutherford (2006) suggests that a market survey amongst a sample of potential customers, provided that it is 'carefully formulated and conducted', should be admissible as evidence. However, she (Rutherford, 2006) warns that it must have sufficient probative value and weight as evidence and could be prohibitively expensive as a result. In general, each case of alleged trademark dilution will be decided on its own merits and within its own context. No other indications from South African academics or judicial opinions are found that can elucidate the matter of empirical evidence and the nature thereof in order to provide evidence of trademark dilution. As a result, the work of American academics and judicial opinions are used in this study to illuminate the matter of empirical evidence in trademark dilution.

The applicant and junior user (Victor's Little Secret) in the *Moseley* case (Moseley v Victoria's Secret Catalogue, Inc., 537 U.S. 418 (2003)) won its case in the United States of America's Supreme Court, in part because the respondent and senior user (Victoria's Secret) could not provide evidence that the applicant's use of 'Victor's Little Secret' actually diluted its mark (Victoria's Secret). After this decision in 2003, the American Congress enacted the Trademark Dilution Revision Act of 2006 to lighten the evidentiary burden of the senior user by requiring evidence of a likelihood of dilution as opposed to the formerly required proof of actual dilution. Research designs emerging from American literature can be divided into two categories. If the empirical research is done to provide evidence of trademark dilution that is occurring in practice and therefore needed for litigation or settlement purposes (Jacoby, 2002), surveys are used. If the empirical research is done to investigate the causal effect between trademark dilution and a particular consumer response, experiments are used. In the *Moseley* case, the American Supreme Court relied heavily on the Solicitor General's *amicus curiae* brief that recommended four comparative research survey designs. The purpose of two of the designs is to assess the potential effects of blurring while the purpose of the other two is to assess the effects of tarnishing (Bird, 2007; Edwards et al., 2004). In addition to these four survey designs another survey design has been identified that is referred to as benchmark surveys. Benchmark surveys are proactive in nature and assess the trademark on a

regular basis in order to be able to immediately see if the benchmark of the trademark changes as a result of blurring or tarnishing. In addition, three types of experiments have been conducted and reported that investigate both blurring and tarnishing (Bird, 2007) or only blurring (Morrin & Jacoby, 2000; Pullig, et al., 2006).

In the American literature a consumer survey is referred to as "...a document prepared by an expert which 'introduces the actual responses of a group of [relevant consumers] whose perceptions are at issue in [a] case" (Bible, 1999, pp. 314-315). As such, surveys conducted for actual litigation purposes and experiments conducted in the academic domain are both referred to as surveys. This study does not follow this approach and differentiates between surveys and experiments based on their research strategies and the reason why they are conducted, namely for litigation purposes or for academic research. In theory it should be possible to conduct an experiment for litigation purposes but probably only based on a model that it could predict dilutive consumer behaviour.

4.3.1 Surveys as research strategy

Comparative surveys and benchmark surveys are summarised below within the context of proving a likelihood of dilution. In arguing the merits of comparative and benchmark surveys Schwarz (2004) comments that lost profits as proof of actual dilution is an "after-the-fact remedy" as a senior mark may never be able to show diminished revenues and that this approach is furthermore "extraordinarily speculative and difficult" to prove.

4.3.1.1 Comparative surveys

In each of the four designs discussed here, comparative data is collected from two groups. The first group, Group A, is familiar with the junior use (infringing mark) of the famous (senior) mark and the second group (group B), is not. Responses from both groups measured on different parameters are then compared. Comparative surveys, however, present three problems. Edwards, *et al*. (2004) identify the primary problem of comparative survey designs as "...finding respondents [research participants] who fit within these respective groups". In the *Moseley* case, Group A would be people in or near Elizabethtown where the applicant's (junior user's) store (Victor's Little Secret) is located while Group B (Victoria's Secret/senior user) would be people across America as the Victoria's Secret brand is nationally known. Furthermore, participants must be randomly assigned by a researcher to a group - which may be overwhelmingly cumbersome - in order to guarantee the scientific validity of the study (Jacoby, 2007). Another problem that

has surfaced in practice is that confusion surveys have been used instead of dilution surveys, when blurring surveys were called for. Blurring is shown if research participants thought the senior mark (for example First National Bank) originated from two different sources (First National Bank and First National Insurance) while confusion is shown when research participants thought two different products (for example banking and insurance) originated from the same source (First National Bank) (Holt & Duvall, 2008). For example, in the *Louis Vuitton* case (Louis Vuitton Malletier v. Dooney & Bourke, Inc., 525 F. Supp. 2d 558, 569 (S. D. N. Y. 2007)) the plaintiff (senior mark) did not succeed because the researcher mistook blurring for confusion and this misunderstanding led to methodological flaws. If a problem such as this can be overcome or avoided, the designs serve some purpose as will be demonstrated below. Finally, it may seem as if the junior mark has no impact on the senior mark, while in fact it does. This lack of proof of the impact the junior use has on the senior mark, may be because the first comer's mark (senior mark) is relatively more famous than the second comer's mark (junior mark) and the second comer's mark (junior mark) was not strong enough to affect the top-of-mind response of the first comer's mark. The effect of relative fame justifies the methodology of not focusing on only measuring a senior mark's familiarity in dilution research but rather concentrating on constructs that drive behaviour.

Four comparative research designs are discussed below where groups familiar with the junior mark (A) and not familiar with the junior mark (B) are used to measure dilution (Edwards, et al., 2004). Designs one and two relate to blurring (the character of the senior mark becoming less distinct) and designs three and four relate to tarnishing (the reputation of the senior mark becoming less favourable).

Design one: In this design, the respondents in both Groups A (exposed to junior mark) and B (not exposed to junior mark) are asked with what products or services they identify the senior user's mark (the mark alleging infringement). If Group A (familiar with junior mark) are asked to identify products or services of the senior mark and the group identifies fewer products or services in respect of the senior mark compared to those identified by Group B (unfamiliar with junior mark), dilution has taken place. If the above methodology is applied to the *Moseley* case dilution will be indicated if 75% of Group A (familiar with junior mark) responded 'women's lingerie and wearing apparel' compared to 87% in Group B (unfamiliar with junior mark). If no dilution has taken place, the measurement of Groups A

and B should be virtually identical and the difference of 12% between the two groups can arguably be the measure or quantum of the dilution caused by the junior mark.

Design two: Design two is the same as design one in that it also asks participants with what products or services they identify the senior mark. If Group A (familiar with junior mark) includes products and services of the junior mark and Group B (unfamiliar with junior mark), exposed to the products and services of the junior mark but not the mark itself, does not, dilution has taken place. Within the *Moseley* case context dilution will be indicated if Group A identifies products or services from both the junior mark and the senior mark compared to Group B that only identifies products and services from the famous trademark. If 30% (a threshold indicated by previous court cases) of the participants in Group A include products or services from the junior mark but none of Group B does, a 30% measure or quantum of dilution caused by the defendant's mark is indicated.

The purpose of designs one and two is to determine either whether consumers associate products or services from the junior mark with the senior mark (design two) or whether consumers associate relatively fewer products or services with the senior mark because of the junior mark (design one). Both designs measure blurring and accentuates that the harm of blurring is not that consumers think of the junior mark when confronted with the senior mark (a form of free riding), but that consumers actually think that the famous senior mark represents products or services it does not (two different sources). The harm caused by blurring in these two designs is conceptualised as the addition of another association, relating to the source of products or services, to the existing association between a senior mark and the source of its products or services.

The next two designs, three and four, measure tarnishing.

Design three: In this design, participants from both groups (A and B) are asked to volunteer positive and negative non-comparative attributes they associate with the senior user's mark (the mark alleging infringement). If Group A (familiar with junior mark) mentions fewer positive or more negative attributes compared to Group B (unfamiliar with junior mark) it may be an indication of dilution. Within the *Moseley* case context tarnishing would have occurred if more respondents from Group A mentioned for example 'low-class' or 'X-rated' as attributes of 'Victoria's Secret' compared to Group B. However, the concept

'attributes' is unclear: whether it refer to physical product attributes or abstract perceptions of the product. Furthermore, it is hard to imagine that respondents will come up with more than a few non-comparative 'attributes' which may limit the interpretation of the result, if a result could be found at all. The term non-comparative is also hard to define and probably product and service dependent.

Design four: Participants from both groups (A and B) are supplied with a list of product or service qualities and then asked to rate each on a numerical scale. Significant differences between the two groups may indicate dilution. Within the *Moseley* case context it can be applied as follows: Groups A and B are asked to rate 'Victoria's Secret' on a scale of 1 to 10 on attributes such as 'tasteful', 'charming', 'elegant' and so forth. Scores are then compared for each attribute and if a significant difference exists in areas where the junior user's mark is known (Group A) and is not known (Group B), it may indicate tarnishing. In design four, the senior mark's relevant positive qualities and unwanted negative qualities, will need to be identified in a pre-survey. As with design four, the concept 'qualities' will be product or service dependent and should be defined specifically rather than generally. Qualities may also refer to product qualities as well consumer judgements and feelings (attitude).

In summary, survey designs one and two suggest that the harm caused by blurring is that consumers either incorrectly or not at all, identify products and services that belong to the senior mark as belonging to the junior mark when confronted with the senior mark. Survey designs three and four suggest that the harm caused by tarnishing is the association of relatively more new negative attributes or less existing positive attributes with the senior mark.

4.3.1.2 Survey evidence in actual court cases

The following section discusses examples of how survey evidence was used in actual cases (blurring, tarnishing, blurring and tarnishing) in the United States of America.

4.3.1.2.1 Blurring

In the *Pebble Beach* case (Pebble Beach Co. Et al. v. Tour 18 Ltd., 942 F. Supp. 1513 (S. D. Tex. 1996); 155 F. 3rd 526 (5th Cir. 1998)), the plaintiffs (senior mark) and respondent (junior mark) offered the same product or service, namely a golf course. The respondent (junior user) modelled and marketed the holes of its golf course on famous golf course

holes. The junior mark used the 14th hole at Pebble Beach Golf Links in California and the 3rd hole at Pinehurst # 2 in North Carolina. The junior mark used the senior marks' exact names and diagrammes for their golf holes and mentioned this fact in its promotional material. A longitudinal study was undertaken by Jacoby (2007) to determine whether the junior user's use in his Tour 18 golf course caused trademark blurring in the mind of consumers. Initial interviews were conducted with 235 respondents who were golf players who had played the junior user's Tour 18 golf course. The purpose of the interview questions was to set a benchmark against which the responses from the follow-up interview could be compared. The questions attempted to assess the distinctiveness and uniqueness of the senior mark at the time of entry of the junior mark into the market. After subtracting noise estimates, 67% of the respondents thought the mark "14th hole at Pebble Beach" and "3rd hole at Pinehurst # 2" represented unique and singular places – indicating a considerable amount of distinctiveness. A follow-up interview was conducted 7 to 14 days later with 146 respondents from the initial group and respondents were asked the same set of questions. In respect of Pebble Beach 78% of respondents and 66% of respondents in Pinehurst #2 no longer thought the Pebble Beach 14th and Pinehurst # 2 3rd holes to be unique and distinctive after learning of the Hole 18 holes. Although this study was conducted before the *Moseley* case, the study is a good example of a longitudinal study of similar products or services where actual blurring was measured in a scientifically sound manner although the trade names were not the same. The court did not rule or opined regarding the survey's findings regarding dilution but did find in favour of the senior user based on the survey's findings regarding the ineffectiveness of disclaimers in dissipating like confusion.

In the *Nikepal* case (Nike, Inc. v. Nikepal International, Inc., U.S. Dist. LEXIS 66686, *12-*13 (E.D. Cal. 2007)) the plaintiff and senior mark 'Nike' is a world famous brand of sportswear and sports apparel. The defendant (junior mark) is the manufacturer of laboratory equipment sold via a website registered as 'nikepal.com'. The plaintiff (senior mark) commissioned a survey of persons responsible for ordering laboratory equipment (current as well as potential customers) to measure the likelihood of dilution of the Nike brand (senior mark) as a result of the use of the defendant's Nikepal mark (junior mark). Survey participants were randomly selected from lists the respondent identified as source of Nikepal's current and prospective customers. Interviews were conducted by phone and respondents were asked about their perceptions of a website called nikepal.com. They were also asked what if anything came to mind when the word 'Nikepal' is used. An expert

testified that 87% or respondents associated Nike with Nikepal when they encountered the junior mark (Nikepal) and that they thought of the senior mark's (Nike) offerings. As a result, dilution by blurring was found likely to occur and the court found in favour of the plaintiff and senior mark Nike. The decision of the court is difficult to understand in the light of more recent explanations of the nature of dilution by blurring. Blurring is said to occur not when a consumer is confronted with the junior mark and he thinks of the senior mark (this increases awareness of the senior mark) but when the consumer thinks of the junior mark when seeing the senior mark (Diamond, 2007-2008; Holt & Duvall, 2008).

4.3.1.2.2 Tarnishing

In the Michelob Oily case (Anheuser-Busch, Inc. v Balducci Publications, 28 F3d 769, 31 USPQ2d 1296 CA 8 1994)) Jacoby (2003) was commissioned by the senior mark (plaintiff) to conduct research to prove tarnishing. The respondent (junior user) spoofed the plaintiff's beer called 'Michelob Dry' in a newspaper-like tabloid. The name 'Michelob Dry' were replaced with a fictitious beer named 'Michelob Oily' and the former's slogan 'One taste and you'll drink it dry' with 'One taste and you'll drink it oily' underwritten with the words 'At the rate it's being dumped into our oceans, lakes and rivers, you'll drink it oily sooner or later, anyway'. The junior user made it look as if oil and not beer poured from a can and also utilised a trade dress identical to 'Michelob Dry'. It was obvious that the similarity between the senior mark and the spoofed version by the junior user were intentional and obvious. The study was designed to determine whether the junior user's communications drew negative associations with the senior mark, undermined evoked positive associations which would amount to tarnishing and influence purchase intention as a result. In total, 301 respondents were surveyed: 200 respondents received the allegedly tarnished communication and 101 respondents in the control group received the original 'unspoofed' advertisement. Open and closed ended questions were asked via interviews. Out of the 200 respondents, 37% had negative associations with the senior mark post exposure while there was a net proportional decrease of 23% in positive purchase intention while 55% believed 'Michelob Dry' (senior mark) was contaminated with oil. The court agreed that tarnishment had occurred and found in favour of the senior mark.

4.3.1.2.3 Blurring and tarnishing

Starbucks Corporation v. Wolfe's Borough Coffee, Inc. (Starbucks Corporation v. Wolfe's Borough Coffee, Inc., 2005 U. S. Dist. LEXIS 35578, *26-*30 (S.D.N.Y. 2005))

The respondent in *Starbucks Wolfe's* case used the term 'Charbucks' as part of the name of one of its lines of coffee. The plaintiff (senior mark), 'Starbucks', alleged that such use blurred and tarnished its trademark. The plaintiff (senior mark) relied on the same survey to prove both blurring and tarnishing. In terms of blurring the court found that even though 39.5% of people surveyed associated the term 'Charbucks' with 'Starbucks', there is no indication that this is the result of the defendant's (junior mark's) usage of the term or that such usage affected the ability of the Starbucks marks to serve as unique identifier of its products (Ford, 2008). In terms of tarnishing the court found that although 43.3% of respondents surveyed indicated they would have a negative impression of a coffee with the name 'Charbucks' it related only to an impression of the product and did not transfer to tarnishing of the plaintiff's (senior) mark. A plaintiff (senior mark) needs to show that the negative association with a term like 'Charbucks' tarnishes its reputation and will likely lead to the public associating the lack of quality or prestige of the defendant's (junior mark's) product with the plaintiff's (senior mark's) product. If the plaintiff (senior mark) cannot show that a negative association tarnishes its reputation, as was the case in *Starbucks Wolfe*, the senior mark will not succeed in proving dilution and be awarded protection.

Starbucks Corporation v. Samantha Lundberg (Starbucks Corporation v. Samantha Lundberg, 2005 U.S. Dist LEXIS 32660, *20-*22 (D. Or. 2005))

Samantha Lundberg owned a coffee shop which she called 'Sambuck's Coffeehouse' (junior mark) that is a combination of her name and maiden surname. The plaintiff (senior mark) 'Starbucks' alleged that the name 'Sambuck's Coffeehouse' diluted the senior mark through blurring and/or tarnishing. The court found in favour of the plaintiff (senior mark) that the use of the name 'Sambuck's Coffeehouse' (junior mark) creates the likelihood of both blurring and tarnishing based on the plaintiff's (senior mark's) expert testimony and survey evidence. Eighty-five percent of respondents exposed to the 'Sambuck's Coffeehouse' name thought of the senior mark 'Starbucks'. Over 70% of respondents surveyed indicated that the term 'Starbucks' came to mind because of the high degree of similarity between the terms 'Starbucks' and 'Sambuck's'. None of the respondents who were exposed to the placebo name 'Sammy's Coffeehouse' indicated they thought of 'Starbucks' because of the similarities between the marks (Ford, 2008).

4.3.1.3 Benchmark surveys

A major limitation of the previous four survey designs is the difficulty of finding respondents that have not been exposed to the allegedly diluting (junior) mark. To overcome this obstacle, a benchmark survey is suggested where the owner of the senior mark oversees the completion of two surveys. One survey is completed before any dilution has happened and another survey after dilution has appeared and litigation commenced (Bird, 2007). The 'before' survey may serve as benchmark against which the 'after' survey is measured. The non-comparative attributes listed and/or qualities rated referred to in survey designs numbers three and four above may be used to structure a benchmark survey. However, no actual example of such a survey exists and if expected it may be questioned on comparability issues such as the timing of the benchmark survey and the prevailing marketing conditions at the time of the benchmark survey (Edwards, et al., 2004).

Although surveys aspire to produce convincing results, they are required to be nationally representative, their scope is difficult to tailor, and they are expensive as well as time consuming to conduct. In addition, it may be difficult to establish a sufficient link between the senior mark and the junior mark and to show that such a link resulted in damage to the senior mark (Magid, et al., 2006; Schwarz, 2004). As surveys are usually used during litigation, the evidence they provide are retrospective in nature: they offer evidence of dilution that has already or is busy taking place. In contrast, experiments are prospective in nature: they offer evidence of dilution that could occur and thus improves our understanding of how to predict the results of trademark dilution in economic terms.

4.3.2 Experiments as research strategy

Experiments as research strategy, as opposed to surveys, offer several important advantages in understanding the nature of the harm caused by dilution. Experiments provide structure for measuring a change in the relationship between consumers and the brand identity in which the trademark owner has invested (Magid et al., 2006). Experiments do not only enable stronger inferences because the research is causal as opposed to descriptive, but can also project the aggregate dilutive effect of the future use of a potentially infringing mark before it enters the market. Three experimental studies have been published that investigated the nature and effect of trademark blurring. No experimental studies have been conducted to investigate the nature and effect of trademark tarnishment. The three studies relating to trademark blurring are analysed below.

4.3.2.1 Blurring experiment: speed and accuracy of brand recall and recognition

Morrin and Jacoby (2000) conducted two experiments in an attempt to provide evidence of trademark dilution using a response latency method. The research question was whether the viewing of a dilutive advertisement, belonging to the junior mark, caused a delay in matching the senior mark with its product attribute (Bird, 2008). In the first experiment respondents were exposed to three potentially trademark diluting printed advertisements as stimuli in order to measure whether such exposure reduced the speed and accuracy of consumer recognition of brand-related information. The three trademarks/brands used were Godiva, Hyatt and Heineken. The tarnishing advertisement referred to Dogiva dog biscuits and the blurring advertisement to Heineken popcorn or Hyatt legal services. The researchers found that exposure of senior marks/brands to potentially diluting (blurring or tarnishing) advertisements (connecting the trademark to unrelated product categories) significantly affected the accuracy and speed of recognition for two (Godiva and Heineken) of the three trademarks tested. In the second experiment subjects were exposed to potentially diluting trademark/brand logos as stimuli in order to measure trademark blurring with recall-based measures as opposed to recognition used in the first experiment. It was found that recall for one (Continental) of the three familiar trademarks/brands (Parker, Continental, Avon) was not affected by diluting logos, probably because the brand was very familiar to subjects.

Less familiar trademarks/brands exhibited more dilution compared to moderately famous trademarks/brands and moderately famous trademarks/brands more dilution compared to extremely famous brands. In the first study, the harm caused by dilution was conceptualised as a decrease in consumer recognition of brand related information and measured using brand recognition measures. In the second study, the harm caused by dilution was conceptualised as a decrease in consumers being able to recall brand-related information and measured using brand recall measures. Brand recall and brand recognition are the measures used to assess brand awareness that is a lower level customer-based brand equity indicator.

Tushnet (2007) raised some concerns about the validity of the research conducted by Morrin and Jacoby (2000) and in her criticism provides some valuable guidelines for future empirical research in trademark dilution. Firstly, a trademark/brand does not exist in isolation and is provided with the context of its product category. As such, when research

is conducted, respondents must be confronted with trademark/brand images and logos of a practical rather that an abstract nature, being contextual and emotional rather than informative. The question must also be addressed if a trademark/brand is kept strong by the context in which it is used or the products and services it identifies. Morrin and Jacoby (2000) used printed brand advertisements for study one and actual brand logos for study two because study one involved brand recognition and study two brand recall. It is not clear how the constructs brand recall and brand recognition relates to or is determined by the nature of the stimuli. As such, the criticism by Tushnet (2007) seems to be substantive. Secondly, a trademark's association set must be identified and if the trademark/brand word is uncommon (low frequency word) or not (high frequency word). Association set refers to the quantity and quality of association with the trademark. If a trademark that consists of a low frequency word (fifteen or fewer uses per million words) is diluted, it becomes a high frequency word (one hundred or more uses per million words). Thus, when selecting a stimulus in experimental studies, a high frequency word as well as a low frequency word should be included to determine whether retrieval and recognition are hindered or assisted.

This comment is relevant as the type of word used in an experiment could influence results. Thus, whatever brand name is chosen during research, it should be demarcated clearly in order to contextualise results. In the last instance reaffirmation effects should be taken into account. Some uses of a trademark by a second comer (junior mark) may reinforce the first comer's (senior) mark instead of blurring it. Reinforcement happens if consumers think of the first comer's (senior) mark when confronted with the second comer's (junior) trademark, for example when Dogiva dog biscuits (junior mark) are mentioned consumers think of Godiva chocolates (senior mark). However, if Godiva chocolates (senior mark) are mentioned and consumers think of Dogiva dog biscuits (junior mark), free riding (not dilution) has taken place.

A similar example and judicial reasoning occurred in the *Ringling Bros.* case (*Ringling Bros.-Barnum & Bailey Combined Shows, Incorporated versus Utah Division of Travel Development*, 1999) in the United States of America. The applicant uses the senior mark 'The Greatest Show on Earth' and the respondent (junior mark) allegedly diluted this mark with the slogan 'The Greatest Snow on Earth' in an advertisement of the state of Utah's winter sports attractions. Incidentally the applicant (senior mark) did not succeed as he could not provide evidence of the alleged dilution.

4.3.2.2 Blurring experiment: response latency, aided recall and simulated choice

Pullig, et al. (2006) conducted five experimental studies in an attempt to determine how trademark blurring could and should be measured and how likely it was to occur. The authors used response latency, aided recall and simulated choice to test the ability of a respondent to recall a brand attribute when presented with a list of brands that included the brand of interest. In the second instance, the ability of respondents to recall the brand of interest when aspects of interest came to mind, were tested (Bird, 2008). They conceptualise blurring as "...the weakening of the association between a brand and its distinctive aspects (e.g. category, attributes, benefits) that define the meaning of the brand in consumers' minds" (Pullig, et al., 2006, p. 54). They suggest, based on this conceptualisation, that response latency to recognise brand associations, aided recall of brand associations and brand choice be used as measurement methods of dilution.

In their first study the authors (Pullig, et al., 2006) hypothesised that category similarity moderated the effects of a same-named junior trademark/brand on the senior mark/brand's distinctive associations. In the second study, category and attribute similarity was hypothesised to jointly determine the effect of a same-named junior trademark/brand on the senior mark/brand's distinctive associations. In study one product category similarity was manipulated while attribute similarity was held constant at a moderate level. In study two both product category and attribute similarity were manipulated.

The results revealed that if category similarity was high, the attribute associations of the senior mark/brand were reinforced by the attribute similarity and concomitantly diluted by attribute dissimilarity. Furthermore, when category similarity was low, the senior mark/brand's attribute associations will most probably be blurred. The third study showed that the recall measures of blurring were less sensitive to differences in accessibility than the response latency recognition measure. The chances of a senior mark/brand being included in a consideration set significantly decreased, given distinctive aspects as choice criterion, with the introduction of a dissimilar junior brand (study four). In the fifth and final study it was shown that even when there is a substantial delay between exposure to the junior trademark/brand and the choice involving the senior mark/brand, there was still a significant decrease in the consideration and choice probability of the senior mark/brand. The study offers strong evidence that a junior trademark/brand will only threaten a senior mark/brand if it emerges in a similar product category with dissimilar associations and that

a junior trademark/brand does decrease the consideration and choice of a senior mark/brand.

Brandford (2008) criticised the research conducted by Pullig, et al. (2006) because the trademarks/brands used in the research were not famous. As have been discussed earlier in the study, it appears as if very famous trademarks/brands are practically immune to dilution while moderately famous trademarks/brands are not. However, exactly how very famous and moderately famous trademarks/brands differ from each other is open to interpretation.

4.3.2.3 Additional research methodologies

Morrin, Lee and Allenby (2006) conducted an experiment using 212 undergraduate students enrolled in marketing courses in an effort to understand the underlying consumer memory processes associated with trademark dilution. The researchers demonstrated firstly that brand diluting logos tend to reduce brand exclusive recall levels and that a single exposure to brand diluting brand stimuli is found to have a damaging effect on brands, reducing brand exclusive recall by a third on average (Morrin, et al., 2006). Secondly, consumers who are highly familiar with a brand/category pair will be more likely to recall that brand's category after exposure to diluting stimuli as opposed to the brand itself. Morrin, et al. (2006) also remarked that although trademark/brand confusion indicates trademark infringement and not trademark dilution, trademark/brand confusion implies an advantage to the junior mark at the cost of the senior mark that unfairly accrues to the junior mark.

Magid et al. (2006) proposed a theoretical experiment that to date has not yet been executed or verified empirically. Their proposed experiment is randomised to control for demand effects and subjects (respondents) are the primary purchasers of the senior mark. The experiment suggests a full 2 x 3 factorial design with two levels of advertising type (the allegedly diluting advertisement is either included or not in advertising material) and three levels of exposure (1 exposure, 2 exposures or 4 exposures). The stimuli and control (dependent variable) should be the actual advertisements and promotional materials of the product that conveys all characteristics of the product. Brand image is the dependent variable and measured as conceptualised by the 'Brand Asset Valuator' developed by Young and Rubicon. The Brand Asset Valuator consist of four basic parts namely differentiation (how distinctive the brand is from other brands within the same product

category), relevance (how personally meaningful the brand name is for consumers), esteem (how highly regarded the brand name is with respect to other brands in the same product category) and knowledge (what consumers think the brand stands for). Magid et al. (2006) also proposed, as additional dependent variables brand attitude, brand awareness, purchase intention and past purchase information, brand market share trends and other perceptual characteristics of the brand such as perceived quality, consumer satisfaction and brand loyalty. In essence, authors (Heald & Brauneis, 2010; Holt & Duvall, 2008; Jacoby, 2007; Morrin & Jacoby, 2000; Simonson, 1994) agree with the use of most of the components of customer-based brand equity (Keller, 1993, 2003b) as measures of trademark/brand dilution.

In respect of survey questionnaires (referring to the measurement of the dependent variable), Manta (2007) cautions that questions should be precise and not introduce any bias because of the way they are formulated. The exact name of the potentially infringing product or mark must clearly identify the survey stimulus in the questionnaire and questions may not suggest (on their own) the brand or product with which one may associate the stimulus. No adjectives or hints at the answer may be concealed in the questionnaire and follow-up questions should be asked in which it could become apparent what caused the confusion.

Bradford (2008) argues correctly that ‘naked data’ from consumer research, be it surveys or experiments, cannot indicate dilution. She suggests that it ought to be contextualised with preferences about price, product attributes, optimal number of sellers, optimal number of resellers, types of retailers and larger social policy questions. These factors should not be confused with the multi-factor test for trademark infringement discussed by Burgunder in Bird (2008) and Gunnell (2008) that seems similar, but is not as it refers to a test for confusion, not contextualisation of empirical research. The last contextualisation factor mentioned by Bradford (2008), namely larger social policy questions, proved to be of particular importance in the *Sabmark* case for the Constitutional Court in the Republic of South Africa. The argument by the defendant (senior mark) that it was hate speech and the applicant’s (junior mark’s) counter argument that it was freedom of speech, the guarantee of the latter in the Constitution and demarcation of the former in the Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000 (2011), proved to be of paramount importance in the Constitutional Court’s decision not to provide protection to the senior mark based on trademark dilution.

Finally, a survey must also not be conducted with one legal standard in mind and then offer evidence under another (Holt & Duvall, 2008). This will be the case if showing trademark dilution is the purpose of the survey but then evidence of trademark confusion is offered. The type of research, survey or experiment further depends on whether the applicant or respondent (senior or junior mark) commissioned the research bearing in mind that a failure to conduct or use empirical research may create the perception that the results will probably be unfavourable (Cohen, 1986).

It can be argued that empirical findings can be faulted to a greater or lesser degree by the opposing party during litigation. Assuming that the court understands the research methodology would improve the chances of a favourable outcome. Commissioned empirical research however is partial, rather than conclusive evidence. If empirical research indicates that dilution has occurred, it is still required that a certain level of dilution can be proven for a court to intervene in restricting the junior mark in its justifiable economic endeavour while not helping the senior mark to create a monopoly.

4.4 THE QUANTUM OF TRADEMARK DILUTION THAT IS ACTIONABLE

In the Republic of South Africa the Constitutional Court indicated in the *Sabmark* case (*Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae)*, 2006 (1) SA 144 (CC)) that use by a junior mark will be impeded if the economic harm it causes is of a substantial nature. The court therefore implies that economic harm should be neither insignificant nor negligible. In the instance of the *Sabmark* case (*Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as amicus curiae)*, 2006 (1) SA 144 (CC)) the junior mark only sold a small number (less than 300) of t-shirts with the diluted senior mark displayed on the front. The court opined that freedom of speech could not be impeded if the harm caused does not result in substantial economic harm. The issue of how much dilution is actionable, in other words, at what point does a senior mark become so threatened by dilution that legal action is called for. American courts have considered the quantum of dilution that is actionable in various court cases. In the *Pebble Beach* case (P*ebble Beach Co. Et al. v. Tour 18 Ltd.*, 942 F. Supp. 1513 (S. D. Tex. 1996); 155 F. 3rd 526 (5th Cir. 1998)), 66% and 72 % of respondents associated the junior mark with the senior mark and these proportions satisfied the court that dilution had occurred. The court found in favour of the senior marks ‘Pebble Beach’ and ‘Pinehurst’. In the *Nikepal* case (Nike, Inc. v. Nikepal International, Inc., U.S. Dist.

LEXIS 66686, *12-*13 (E.D. Cal. 2007)) 87% of respondents thought of the senior mark when exposed to the junior mark. This proportion was high enough for the court to merit a decision in favour of the senior mark 'Nike'. A proportion of 37% of respondents who had a negative association with the senior mark because of it being spoofed, a proportional decrease of 23% in purchase intention and 55% or respondents believing that the product of the senior mark was contaminated, also satisfied the court in the *Michelob Oily* case (Anheuser-Busch, Inc. v Balducci Publications, 28 F3d 769, 31 USPQ2d 1296 CA 8 1994)) with a finding in favour of the senior mark 'Michelob'. Seventy percent of respondents associated 'Sambucks' with 'Starbucks' in the *Sambucks* case (Starbucks Corporation v. Samantha Lundberg, 2005 U.S. Dist LEXIS 32660, *20-*22 (D. Or. 2005)) and the court subsequently also found in favour of the senior mark 'Starbucks'. In a dilution case reported by Jacoby (2007) that was settled out of court, approximately 12% of the respondents exposed to the junior mark associated the senior mark with the junior mark, accurately describing both. One in eight respondents not only associated the marks with each other but the association also reduced the distinctiveness of the senior mark. The author (Jacoby, 2007) reports that proportionally 15% to 20% or higher, is usually acceptable to determine likely dilution. Although 12% is low, Jacoby (2007) comments that in the spirit of dilution being viewed as 'death by a thousand cuts', 12% is a 'substantial first cut' (Hoeffler & Keller, 2003; Kim, et al., 2003). Which benchmark will be viewed by a South African court as substantial enough to quality as a first cut, is a question that still needs to be answered. The nature of harm or the proverbial 'cut' referred to, merits some consideration, as for dilution protection not all cuts are similar in nature.

4.5 CONCEPTUALISING HARM

Trademark law is about protecting the economic efficiency of trademarks (Landes and Postner as cited in Desai (2012)). Firstly, a trademark guarantees a producer or service provider (senior mark) an exclusive right to access consumer goodwill that attaches to the word(s) or symbol(s), created by and invested in by the producer or service provider (senior mark). The senior mark's goodwill has been described as 'selling power' and 'commercial magnetism' (Schechter, 1927) and its value equated to the expenditure incurred in the research and development of patents (Magid, et al., 2006). Secondly, a trademark lowers consumer search costs because trademark law protects the informational integrity of trademarks, thereby facilitating welfare-increasing transactions (Sheff, 2011). A trademark "...allows consumers to spend less time and effort searching for desired products" (Bradford, 2008). The consumer 'search costs' inherent to the

trademark, can be described as the relative strength with which a trademark is recalled, recognised and evaluated in terms of product attributes and – category (Jacoby, 2002, 2003, 2007; Morrin & Jacoby, 2000; Morrin, et al., 2006; Pullig, et al., 2006).

If a trademark is infringed, the result of the harm is that consumer search costs increase or the goodwill and selling power of the trademark decrease. As such, it has been argued, it is not the trademark itself that is protected against dilution, but the economic value - search costs and goodwill - it represents (Kelbrick, 2006; Webster, et al., 1997). Search costs are increased if a consumer takes longer to make a purchasing decision (blurring) while goodwill decreases if consumers react less favourably to the trademark (tarnishing). Thus an increase in search costs should be measured as a decrease in the trademark's awareness in terms of its recall and recognition. 'Goodwill' was seen as being influenced by search costs and it was suggested that if search costs increase, goodwill will decrease, and therefore an increase in search costs is evidence of dilution (Bradford, 2008).

Presenting evidence of dilution in the form of increased search costs, have been received by the American courts and academics with mixed success (Bradford, 2008; Jacoby, 2002, 2003, 2007). This is so because trademarks are seen to serve a higher function than just to prevent increased consumer search costs or preventing "...competitors from dishonestly diverting customers that would have gone to the senior user of the mark" (McKenna, 2007, p. 1843; 2009). Dilution harms the senior mark, not because the defendant (junior mark) confuses customers or steals them away, but because the senior mark does not occupy the prominent (referring to blurring) and favourable (referring to tarnishment) position in consumers' minds anymore. The trademark diluter (junior mark) has in essence become the beneficiary of the senior mark's selling power and commercial magnetism. The harm caused by dilution has therefore been incorrectly conceptualised as confusion, and the measures and results of research pertaining thereto thus imply limited usefulness. However, the comments above by Morrin et al. (2006) regarding the usefulness of confusion indices should also be noted.

The concepts 'brand' and 'brand equity' are accepted as representing, measuring and indicating economic value (Aaker, 1991; Keller, 1993, 2003b) that is conceptually related to the concept 'trademark'. According to Steckel, Klein and Schusshein (2006) the functions a trademark fulfil on a lower level namely, lowering consumer search costs and on a higher level, creating goodwill, are conceptually related to the different values a brand

represents, collectively referred to as brand equity. Because brand equity is conceptualised using psychological principles, psychological principles have been argued to also be appropriate in highlighting the nature of trademark dilution in order to measure dilution's impact on goodwill (Adelman, 2006; Steckel, et al., 2006). Consumer search costs, as trademark function, have been measured using the brand awareness of the brand identity, consisting of brand recall and brand recognition. Brand identity refers to who the brand is and an increase in consumer search costs posited that because consumers get confused as to 'who' the brand is, their search costs increase. Using a lower level brand extraction like 'identity' limits the investigation of the full impact of trademark dilution on a brand's equity, making it difficult or impossible to relate dilution to a likelihood of substantial economic harm. A higher level brand extraction like brand attitude, consisting of how consumers think and feel and will act as a result, is arguably more appropriate in measuring and proving the effect of trademark dilution, blurring and tarnishing, on goodwill as represented by selling power and commercial magnetism (Bradford, 2008; Magid, et al., 2006; Sheff, 2008; Tuchnet, 2007).

4.6 SUMMARY

This chapter illustrated that in order for a court in South Africa to provide anti-dilution protection, the applicant (owner of the senior mark), must demonstrate the likelihood of substantial economic harm. In the United States of America, a likelihood of dilution is required. The South African requirement arguably sets a higher standard to proving trademark dilution as evidence of an economic effect is required. However, if freedom of expression is not at stake, the requirement will most probably be somewhat relaxed to be on par with the American standard. As such, some pointers may be taken from American case law and academic interpretation. For many years in the United States of America evidence of trademark dilution was provided through survey evidence, usually comparative in nature and focusing on blurring specifically. These surveys met with mixed success in American courts and were often discarded because of methodological constraints. To overcome the methodological constraints of surveys, experiments were introduced and conducted by several academics who investigated the effect of trademark dilution on brand recall and recognition. The experiments showed that trademark dilution influenced brand recall and recognition, implying a lessening in goodwill as a result.

A question that was also addressed in this chapter was the quantum of harm, in other words, how much must the trademark be harmed before it is entitled to protection. Surveys

and experiments have come under recent criticism as mistaking trademark confusion for trademark dilution, thus focusing on recall and recognition instead of goodwill and selling power. As a result, academics are suggesting that a new model be developed to predict and explain the nature of trademark dilution and its influence on consumer behaviour. Harm should, according to these academics, be conceptualised as a change in consumer attitude, be it what consumers think, feel and do as a result. Harm, conceptualised as the influence of trademark dilution on goodwill, represented by consumer brand attitude, consisting of cognitive, affective and conative components, is the subject of the last chapter in the literature study.

CHAPTER 5
OPERATIONALISING TRADEMARK DILUTION: BRAND ATTITUDE

5.1 INTRODUCTION

The previous chapter showed that trademark dilution can be illustrated by means of surveys and experiments. Surveys include comparative – and benchmark approaches. Comparative surveys compare the measurements of two groups that were either exposed to the dilutor stimulus or not. Benchmark surveys follow a pro-active approach where measurements are taken before dilution occurs. Experiments have primarily been used to show blurring by measuring speed and accuracy of brand recall and recognition. Research has suggested that trademark blurring and tarnishment could also be measured with additional dependent variables like brand awareness, brand attitude, brand loyalty and consumer purchase intention (Magid, et al., 2006). The purpose of this chapter is to operationalise these suggested additional dependent variables as measure of trademark dilution.

A brand is an 'information chunk' with inherent psychological significance (Plassmann et al., 2006). The brand name is a cue for the brand's product performance and heuristic (Maheswaran, Mackie, & Chaiken, 1992), activating a specific associative network memory. The power of the brand for Keller (2003b) lies in the mind of the consumer, where conscious and more importantly unconscious thinking takes place that is a "...stew of memories, emotions, thoughts and other cognitive processes we are not aware of or what we can't articulate" (Zaltman in Plassmann et al., 2006, p.7).

An attitude is a general evaluative summary of information derived from what consumers' positive and negative feelings, beliefs and overt actions and responses to the attitude object represents (Crites, Fabrigar, & Petty, 1994; Zanna & Rempel, 1988). The concept 'brand attitude' provides a framework for understanding what consumers think and feel about a brand that amalgamates into how they evaluate the brand and how, as a result, they act. A brand helps to acquire, develop and retain customers, and due to its importance the variables that influence these objectives, namely brand attitudes, are explored in this chapter. The chapter starts by explaining the attitude concept, attitude object and how attitudes are formed. Next, the reason for attitude change and how it links to the brand value-proposition is discussed. The sub-components affect and cognition, as

antecedent variables of brand attitude, are discussed in terms of structure and interaction as well as specific consequences. The consequence of brand attitude, namely behaviour, is discussed in terms of stability and accessibility and related to a measureable outcome, namely purchase intention. Brand loyalty as succeeding variable and brand familiarity as preceding variable is discussed with the chapter concluding with a summary of product and service classification based on level of involvement (high/low) and attitude (thinking/feeling).

5.2 ATTITUDE CONCEPT, ATTITUDE OBJECT AND ATTITUDE FORMATION

This section of the chapter explains what an attitude is, namely an evaluation; the nature of the object being evaluated and how the evaluation is formed.

5.2.1 Attitude concept

People have preferences regarding a variety of objects. For example, in the late 19th century, many people preferred Ivory soap (a new brand introduced to the market) to other commercially available alternatives because it was pure, mild and floated in water (Aaker, 1991). In the early 20th century the preferences people held in terms of for example Ivory soap, were referred to as ‘attitudes’ and the study of this concept dominated the field of social psychology (Banaji & Heiphetz, 2010). North (Attitude (psychology), 2012)) described attitude in 1932 as the “...the dynamic element in human behaviour, the motive for human activity”. An umbrella definition of attitude that is widely accepted (Bohner & Dickel, 2011) accentuates the concept’s psychological nature, defining it as “a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour” (Eagly & Chaiken, 1993). Central to the conceptualisation of attitude for Malhotra (2005) is the summary evaluation of a particular object, thought or entity. Evaluation of a particular object can be further described in terms of its valence (positive or negative) and strength (the degree of valence). Attitudes are not stable because they are subject to individual and social pressures and as a result change.

Attitudes can be described based on the principle that it is stored in memory and are therefore stable entities or constructed instantaneously and are therefore temporary constructs (Bohner & Dickel, 2011). For example, Fazio (1995) focuses on attitudes’ knowledge properties when defining attitudes as “...an association in memory between a given object and a given summary evaluation of the object” (Maio, et al., 2010). Petty and Cacioppo (1996, p. 7) recognises the role ‘feeling’ plays in the formation and effect of

attitudes and defines attitude as “a general and enduring positive or negative feeling about some person, object, or issue”. Likewise Zanna and Rempel (1988, p. 319) define attitude as “the categorization of a stimulus object along an evaluative dimension based upon, or generated from, three general classes of information: (1) cognitive information, (2) affective/emotional information, and/or (3) information concerning past behavio[u]rs and future intentions”. Therefore, the definition provided by Maio, et al. (2010, p. 4) of an attitude as “an overall evaluation of an object that is based on cognitive, affective, and behavioural information” is used in this study as it recognises the evaluative nature of the concept attitude (e.g., good-bad, like-dislike) as well as the content on which the evaluation is based and what it effects, namely affect, cognition and behaviour.

Research on attitude (Maio, et al., 2010; Petty & Cacioppo, 1996) is based on the premise that people hold attitudes because they perform certain functions. Attitudes are convenient summaries of what people believe (object-appraisal function). Attitudes also help people to know what to expect from each other (social-adjustment function). On a more personal level, attitudes can defend the self against internal conflict (externalisation function). Katz (Maio, et al., 2010; Petty & Cacioppo, 1996) identified four functions performed by attitudes that relate to or express some important aspects of an individual’s personality that relates to the three functions proposed above. Regarding the externalisation function, attitudes can serve an ego-defensive function; value-expressive function; knowledge and/or utilitarian function. Attitudes can help to protect an individual’s self-esteem from unflattering truths about themselves or significant others (ego-defensive function). An individual’s self-concept and central values may also be expressed by an individual’s attitude (value-expressive function) while attitudes can also organise information about attitude objects to allow people to better understand their surroundings (knowledge function). Finally, if attitudes help people gain rewards or avoid punishments from attitude objects, a utilitarian function is performed by the attitude(s).

Attitude is used in this study to measure consumers’ responses to diluted trademarks/brands as it represents an implicit state or predisposition that social psychologists use to explain why people react in certain ways in the presence of certain stimuli. Attitude is an inferred state that accounts for the covariation between observable stimuli that denote the attitude object (in this study the tarnished or blurred trademark/brand) and observable evaluative responses (in this study overall general

attitude, attitude accessibility, attitude confidence and purchase intention) to these stimuli (Eagly & Chaiken, 1993).

5.2.2 Attitude object

An evaluation is always made with respect to an entity that is the object of the evaluation and therefore referred to as the attitude object. In essence, the entity "yields the stimuli that elicit the evaluative responses that are regarded as following from the attitude" (Eagly & Chaiken, 1993, p. 4). An attitude object is anything that is 'discriminable' and 'evaluate-able' and ranges from the "mundane to the abstract including things, people, groups, and ideas" (Bohner & Dickel, 2011, p. 393). Anything that can be evaluated along a dimension of favourability in other words, judged as liked or disliked, can be conceptualised as an attitude object (Maio, et al., 2010). Eagly and Chaiken (1993, p. 5) distinguishes attitude objects as abstract (e.g. social policy issues like press freedom) and concrete (e.g. beer), functioning in groups (e.g. social groups like University of Stellenbosch students), displaying certain behaviours (e.g. drinking beer) as well as classes of behaviours (e.g. participating in social events). Maio et al. (2010) adds that a person's own self (e.g. self-esteem) as well as other individuals (e.g. a particular politician) can also be attitude objects. If an entity is able to be discriminated, evaluated and therefore an object of thought encoded from a variety of stimuli, it is called an attitude object.

Crites et al. (1994) used snakes, Yale University, microwave ovens, pizza, television and cows as attitude objects in measuring the affective and cognitive properties of attitudes. Murphy and Zajonc (1993) used Chinese ideographs to test the affective primacy hypothesis (the positive and negative affective reactions that can be evoked with minimal stimulus input and virtually no cognitive processing) while Agarwal and Malhotra (2005) empirically investigated an integrated model of attitude and affect using sport shoes as attitude object. Bagozzi and Moore (1994) used public service advertisements as attitude objects to determine how the emotion it generates influences the decision to help victims of child abuse. Advertisements that were either affect or cognition based were used as attitude objects to measure brand name association with the advertisement, affect accessibility and brand choice (Stayman & Batra, 1991). Grimm (2005) selected chips, razors, watches and banks as attitude objects to determine what the effect of brand attitude was on brand preference. Arbitrarily selected brands (Pepsi, Listerine, Comet cleaner, Cadillac) were chosen by Batra and Ahtola (1991) as attitude objects to

specifically measure the hedonic and utilitarian sources of consumer attitudes. The formation of attitudes regarding specific objects has been explained by different models.

5.2.3 Attitude formation

Different yet conceptually related views exist on how attitudes are formed. In terms of multi-attribute models (Ajzen, 2001; Fishbein & Ajzen, 1975) attitudes are conceptualised as affective responses "...stemming from systematic and deliberative cognitive processing of information about an object" (Argyriou & Melewar, 2011, p. 440). The Expectancy Value model of Fishbein and Ajzen (1975) posits that a person's attitude towards an object is the result of their salient cognitive beliefs about the object and how these beliefs are evaluated. The manner in which a person behaves is determined by intention and intention in turn is determined by the relative importance of behavioural (a person's beliefs that the behaviour leads to certain outcomes and his evaluations of these outcomes) and normative (a person's beliefs that specific individuals or groups think that he should/should not perform the behaviour and his motivation to comply with specific referents) beliefs. In terms of the one-component approach, attitudes indirectly determine behaviour, and do not accommodate affect and behaviour as separate and independent constructs. According to Holbrook and O'Shaughnessy (1984) decisions are thus based on rational factual information as opposed to affective-emotional information. Multi-attribute models like the Fishbein and Ajzen's (1975) Expectancy Value model, are based on functional theory, the basis of primacy of cognition theory, that conceptualises attitudes as "...global, object-related associations retrieved in consumers' memory according to a psychological motivation that becomes salient in a given situation" (Argyriou & Melewar, 2011, p. 438).

Constructivist theory, on which the primacy of affect theory is based, suggests that "...consumers construct their attitudes when requested to, and in accordance with the cognitive demands induced by the context" (Argyriou & Melewar, 2011, p. 438). The independence hypothesis of Zajonc and Markus (1982), based on the primacy of affect theory, hypothesises that an individual responds affectively and this response does not depend on prior cognitions (Zajonc, 1980, p. 151) as affect and cognition are seen as "...under the control of separate and partially independent systems that can influence each other in a variety of ways, and that both constitute independent sources of effects in information processing". This means that a stimulus may directly elicit affect without any cognitive intervention (Bohner & Dickel, 2011).

In addition to the primacy of cognition and affect theories, dual process models such as Chaiken's (1980) heuristic-systematic processing model (discussed below) and the central-peripheral persuasion model (Petty & Cacioppo, 1996; Petty, et al., 1983; Petty, Cacioppo, Sedikides, & Strathman, 1988; Petty, Wegener, & Fabrigar, 1997) have been developed. In terms of dual process models attitudes are the "...result of different levels of effort (involvement) devoted to cognitive processing. High effort results in systematic, reason-based evaluations, while low effort results in heuristic and peripheral evaluations" (Argyriou & Melewar, 2011, p. 441). Several authors, most notably Batra and Ahtola (1991), Holbrook and Batra (1987) and Holbrook and Hirschman (1982), within the theoretical framework of dual process models, proposed that attitudes may be the result of two belief structures. Consumers may develop attitudes based purely on liking (hedonic) and attitudes based on beliefs about product attributes (utilitarian). This conceptualisation "...reflect different qualities and depths of cognitive processing, rather than different amounts of cognitive processing" (Argyriou & Melewar, 2011, p. 441).

The modern primacy of affect theories sees affect as a rational condition of preparedness that can arise automatically or deliberately in appraising events or thoughts (Argyriou & Melewar, 2011). Affect has also been suggested to be able to operate as a unique source of information that enters evaluation in a deliberative manner and not by implication changing cognitive beliefs (Schwarz & Clore, 1996). This study will be based on the dual process model, specifically the conceptualisation of Batra and Ahtola (1991), Spangenber, Voss and Crowley (1997) and Voss, Spangenberg and Grohmann (2003) that propose attitude measures have two distinct but correlated dimensions, one utilitarian and one hedonic. This conceptualisation is based on the premise that high involvement evaluations are cognition based and low involvement evaluations are affect based. The cognitive and affective sub-components and drivers of attitude will be discussed in detail later.

Attitude change is motivated by persuasion variables and these variables are conceptually similar to the brand's value proposition (Aaker, 1996).

5.3 ATTITUDE CHANGE AND THE BRAND VALUE PROPOSITION

Attitude change is motivated or influenced by three different processes or persuasion variables: compliance, identification, and internalisation (Kelman, 1958, 1974). If an individual (person A) allows influence in order to solicit a favourable reaction from another individual (person B) or group, *compliance* has occurred. The individual (person A) does

not allow the influence because he believes in its content or inherent value, but rather because he expects to gain rewards or approval (for example acceptance) and avoid specific punishments or disapproval (for example rejection) by conforming. If an individual (person A) allows influence because he wants to either establish or maintain a satisfying self-defining relationship with another individual (person B) or group, *identification* has occurred. An example of identification is if an individual (person A) stops buying a certain brand of beer because his friend(s) are not buying the brand of beer because they think (person A now thinks/feels the same) that the brand of beer represent an undesirable political opinion. *Internalisation* occurs when the influence is allowed because it has intrinsic value or reward. In this instance the influence is allowed because it is congruent with the individual's value system. If an individual (person A) decides not to buy a certain brand of sport shoe anymore because the manufacturer of a brand indulges in dubious labour practices, attitude change has occurred because of internalisation because the individual thinks/feel differently about the brand. The satisfaction in changing an attitude driven by compliance is due to the social effect of accepting external influence and not necessarily a genuine change in beliefs or evaluation of the attitude object. If attitude change is driven by identification, the satisfaction is derived from the act of conforming, which is also an external influence, and not due to a particularly favourable evaluation of the attitude object. For internalisation to occur, satisfaction must be generated by the content of the new behaviour, an internal influence, in this instance due to the content of the attitude object. Thus, individuals change their attitudes because they believe it will have consequences (rewards or punishments), is associated with desired relationships or has intrinsically rewarding consequences.

According to Aaker (1996) a brand should provide a value proposition to customers which the author differentiates in terms of functional -, emotional -, and self-expressive benefits. If the value proposition is effective, it should lead to a long-term brand-customer relationship that drives purchase decisions. A functional benefit is the benefit provided by a product or service attribute in terms of the function(s) it performs/provides for/to the customer. The functional benefit provided by for example a BMW is superior handling while Investec Private Bank delivers outstanding customer service. An emotional benefit relates to the positive feeling a customer experiences when purchasing or using the brand. The driver of a BMW may feel excited when he/she buys and drives the car while Investec Private Bank may make a client feel important. Emotional benefits are usually related to functional benefits as the latter drives the former: the driver of the BMW feels excited

because his/her car handles well while the Investec Private Bank client feels important because he/she is getting outstanding customer service. A brand can also be purchased or used to fulfil a person's need for self-expression as it becomes a way for a person to communicate his/her self-image to society. The driver of the BMW thinks that he/she appears to be sophisticated while the Investec Private Bank client thinks that he/she appears to be successful and affluent. The value proposition conceptualised by Aaker (1996) is consistent with Burmann and Zeplin's (2005) conceptualisation of the three drivers of brand commitment based on Kelman's (1958, 1974) persuasion variables.

For Burmann and Zeplin (2005, p. 284) *compliance* with the brand identity "...describes the adoption of certain behaviours that are consistent with the aspired brand identity in order to gain specific extrinsic rewards or to avoid penalties". The *functional benefit* described by Aaker (1996) provides the customer with certain benefits (for example the BMW that handles well or Investec Private Bank that provides outstanding customer service) while avoiding certain penalties (for the example a car that does not handle well or poor customer service). These rewards and penalties are extrinsic and are inherent to the product or service attributes. *Identification* with the brand identity for the authors (Burmann & Zeplin, 2005, p. 285) refers to "the acceptance of social influence due to a sense of belonging to the group determining the brand experience, and a perception of being intertwined with the group's fate – i.e. its success and failures are perceived as one's own". (Malhotra and Galletta (1999) used this process to research the role social influence played in the adoption and utilisation of new information systems.) For Aaker (1996) *self-expressive benefits* are provided by the brand if it allows the customer to communicate a self-concept to the world in general and certain groups in particular through purchasing and using the brand. The benefits provided are extrinsic and inherent to the product or service attributes: the BMW driver says to the world that he/she is sophisticated while the Investec Private Bank client communicates success and affluence. If core brand values become part of an individual's self-concept and guides behaviour, the brand identity has been *internalised*, becoming part of the totality of what an individual thinks and feelings in reference to him or herself (Burman & Zeplin, 2005). *Emotional benefits* refer to how an individual feels when purchasing or using a brand (Aaker, 1996). It can be argued that such emotions become part of what an individual thinks and feels about him or herself, especially where the world's strongest brands are concerned. The benefit provided in this instance is intrinsic and generated by what the consumer thinks and feels. The BMW

driver feels in control with the car's superior handling ability and thinks that he made a good choice while the Investec client feels special and thinks he is financially responsible.

In essence, consumers change attitudes because they want to obtain certain rewards and avoid punishments (a car that handles well as opposed to a car that does not, a bank with outstanding as opposed to poor customer service), or be associated with a certain group (a successful, sophisticated or important group) or think (satisfaction with choice, responsible person) and feel (in control, special) in a certain way.

The attitudinal bases and drivers of attitudes, namely affect and cognition, how they interact and the specific consequences of attitudes are now discussed. This discussion of attitudinal influences on decision making, memory and product or service evaluation as a precursor or driver to/of purchase intentions serves as the conceptualisation of how trademark/brand dilution causes economic harm.

5.4 AFFECT AND COGNITION: STRUCTURE, INTERACTION, AND SPECIFIC CONSEQUENCES

In 1960 the social psychologist Daniel Katz (Katz, 1960) published a seminal paper on the functional approach to the study of attitudes. Katz (1960) argues that consumers form attitudes towards brands because they provide certain desired functions. According to Katz (1960) attitudes can play four roles or perform four functions. The first function is called the utilitarian function and fulfils a consumer's need to obtain certain rewards and avoid particular punishments. The second function equips the consumer with the ability to express his/her central value or self-concept and is referred to as the value-expressive function. The third function is the ego-defensive function that allows the individual to protect himself/herself from either external threats or internal feelings of insecurity. Lastly, the fourth function, referred to as the knowledge function, refers to attitudes formed to satisfy an individual's need for order, structure and meaning. It can be argued that the utilitarian and knowledge functions are similar to the functional value proposition articulated by Aaker (1996). The value-expressive function similarly relates to the self-expressive component of the value-proposition and the ego-defensive function to the emotional component. What can also be noted is that the function an attitude serves as well as what it is based on, has cognitive (utilitarian – and knowledge function or functional value proposition) as well as affective (value expressive function or self-expressive value proposition and ego-defensive function or emotional value proposition) components or

bases. Congruent to this observation is Keller's (1993) conceptualisation of the way customers respond to brands as attitudes described in terms of judgement (cognitive component) and feelings (affective component). Consumer judgements refer to customers' personal opinions and evaluations with regard to the brand while brand feelings refer to customers' emotional responses and reactions with respect to the brand. In summary, consumer judgement refers to the cognitive evaluations of external stimuli while consumer feelings are affective responses that reflect what an individual actually feels internally. Behaviour describes what an individual plans to do about what he thinks and feels (Erevelles, 1998). Affect refers to what a consumer feels and cognition what a consumer thinks.

5.4.1 Affect

The 'feeling' component of attitude is referred to as affect. While attitude is an evaluative judgement, affect is a valenced feeling state (Erevelles, 1998). An affective response consists of feelings, moods, emotions and sympathetic nervous system activity that people experience in relation to attitude objects (Eagly & Chaiken, 1993, p. 11) as well as remembered sensations according to Kim (2010) and Maio et al. (2010). Emotion is usually high in intensity, associated with the attitude object, consists of specific and consistent somatic states, has clear and prototypical cognitive content, is relatively thought-based, short-lived and an intense phenomenon usually highly accessible and originating from a salient cause. In contrast, moods are usually low in intensity, un-associated with the attitude object, consisting of diffuse and enduring affective states because it is based on feeling, have no salient antecedent cause and therefore little cognitive content (Bagozzi & Moore, 1994; Herr, Page, Pfeiffer, & Davis, 2012). Emotion and affect are similar concepts because they refer to an individual's verbally expressed subjective feelings or felt experiences (Kim, 2010). Bagozzi, Gopinath and Nyer (1999) comments that affect and emotion are terms frequently used interchangeably because they are conceptually similar. For Holbrook and O'Shaughnessy (1984) affective response is a consumption emotion because emotion is similar or identical to affect. Emotion and affect are thus concepts that will be used interchangeably in this study as well.

Emotional or affective experiences usually range from extremely negative to extremely positive and are located on an evaluative dimension of meaning. The affective component of attitude can be measured based on a generic or customised scale. When a generic approach is used the cognitive and affective sub-components of attitudes are measured

using different semantic differential scales that can be used across attitude objects as opposed to the same semantic differential scale that cannot be used for different attitude objects (Maio, et al., 2010). Because the generic approach, using different semantic differential measures for attitude sub-components, is more specific than general evaluative semantic dimensions that measures overall attitudes it is used in this study. An early study conducted by Batra and Ahtola (1991) measured hedonic (affective) consumer response to marketing stimuli with the descriptors pleasant-unpleasant; nice-awful; agreeable-disagreeable; and happy-sad. In this measure, the hedonic dimension of attitudes results from sensations derived from direct experiences with the attitude object. Crites, Fabrigar and Petty (1994) suggest that love-hate; delighted-sad; happy-annoyed; calm-tense; excited-bored; relaxed-angry; acceptance-disgusted; and joy-sorrow be used as items to measure the affective dimensions of attitudes. Later studies by Spangenberg, Voss and Crowly (1997) used the descriptors dull-exciting; not delightful-delightful; not sensuous-sensuous; not fun-fun; unpleasant-pleasant; not funny-funny; not thrilling-thrilling; not happy-happy; not playful-playful; enjoyable-un-enjoyable; cheerful-not cheerful and amusing-not amusing to measure hedonic consumer response. Voss, Spangenberg and Grohmann (2003) shortened their 1997 hedonic scale to 5 items anchored by: not fun/fun; dull/exciting; not delightful/delightful; not thrilling/thrilling; enjoyable/un-enjoyable. In 2005, Thomson, MacInnis and Park used the descriptors affectionate; friendly; loved; and peaceful to measure consumers' emotional attachment to the brand in order to predict attitude towards and satisfaction with the brand. For Maio et al. (2010) the five basic emotions included in most models are happiness, sadness, anger, fear, disgust. When individuals experience feelings of, for example, happiness and enjoyment, the attitude object is evaluated favourably and the individual has a positive affective attitude towards the attitude object as opposed to a negative affective reaction that would be indicated by feelings of, for example, anger and disgust.

The influence of affect on attitudes can be explained by a "fan-shaped set of ideas with a common emphasis [on] emotion" (Maio, et al., 2010, p. 112). Clore and Schnall (Albarracin, et al., 2005) argue that affect depends not only on the affect itself but also on what the affect appears to be about. If affect becomes associated with a stimulus, affect is said to have a direct influence on attitude. If affect becomes associated with a response, it has an indirect influence on attitude as it influences how attitude relevant information is processed. The direct influence of affect is not discussed in this study as comprehensively

as the indirect influence of affect as the indirect influence is more closely related to how consumers will ultimately respond (behave) after exposure to a stimulus.

Exposure and emotional learning are the two most important direct affective influences on attitude. Exposure is based on the proposition that people form positive attitudes towards other people or entities, like brands, if they have seen it many times despite not remembering past encounters. Mere exposure elicits positive attitude because it increases a sense of certainty and familiarity with the attitude object (Maio, et al., 2010). In researching empirical measures to quantify trademark dilution, Morrin and Jacoby (2000) used diluted, reinforced (brands consumers were made to be more certain and familiar with via increased exposure), and unrelated brands to test the strength of brand associations in consumers' memory and ability to recall brand-related information. Magid, et al. (2006) recommends a 3 x 2 full factorial experimental design to quantify brand image to determine trademark dilution. Three ('3') levels of exposure is suggested (1, 2, or 4) and two ('2') levels of advertising type (either no junior mark advertisement or junior mark advertisement). The inclusion of levels of exposure indicates that trademark/brand familiarity and certainty is hypothesised to play a role in trademark dilution.

Emotional learning refers to the associational process whereby rewards and punishments influence attitude (Albarracin, et al., 2005). Maio, et al. (2010) believe that emotional learning exposes customers to an attitude object, like a brand, that has emotional consequences. For example, marketers try to associate their brands to something positive like a sports star with the purpose of creating positive consumer attitude. Till and Shimp (1998) showed that a celebrity endorser can create a strong and positive associative link with the brand, enhancing the brand's equity as a result. They also showed that if a celebrity is evaluated less favourable, brand evaluations are also lowered. For the purposes of this study it means that 'affect' (in this instance favourability), expressed in terms of valence (evaluation) and arousal (importance), does have an influence on the consumer's attitude towards the brand.

Feelings or emotions represent the affect component of attitude. The sub-components are represented by and can be measured using semantic differential scales that consist of a variety of items. The items in a scale may vary in valence (positivity/negativity) that in turn contributes towards the composite or amalgamated attitude towards the attitude object, in this study the brand. Affect therefore, is "...not only a source of judgement bias, but also

plays an essential role in effective judgement and decision-making" (Albarracin, et al., 2005, p. 479).

If affect, a component of brand attitude, becomes less positive, certain consequences usually occur. Negative affect causes trademark/brand evaluation to become less positive (Till & Shimp, 1998). Cognitive processes are negatively affected (Bagozzi & Moore, 1994): problems are solved less efficiently as negative affect increases consumer confusion resulting in slower decisions-making (Herr, et al., 2012). Negative affect does not stimulate variety seeking behaviour in consumers (Erevelles, 1998; Isen, 2001) and decreases product/service credibility (Desai & Mahajan, 1998). Affect plays a role in attitude change as explained by the Heuristic Systematic Model (HSM)(Chaiken, 1980; Chaiken & Maheswaran, 1994) and the Elaboration Likelihood Model (ELM) (Petty & Cacioppo, 1996; Petty, et al., 1988). Negative affect may result in cognitive dissonance if inconsistent with cognition and has a detrimental impact on price (Slovic, Finucane, Peters, & MacGregor, 2004). Consumer recall of and reaction to advertisements also become slower as a result of negative affect (Erevelles, 1998). In general it can also be posited that if a trademark/brand is diluted, the ability of the trademark/brand to fulfil its value-expressive and ego-defensive functions become inhibited (Katz, 1960). Consumers may feel that the trademark/brand is not an appropriate self-expressive medium and by using the trademark/brand the consumer may experience undesired internal feelings (Aaker, 1996).

The six preliminary research questions formulated in Chapter 3 are now extended to brand affect as sub-component of brand attitudes and customer-based brand equity:

- Research question one: Do tarnishing and blurring have an effect on affect as component of customer-based brand equity when all trademarks/brands are considered together?
- Research question two: Does tarnishing have an effect on affect as component of customer-based brand equity when trademarks/brands are considered individually?
- Research question three: Does blurring have an effect on affect as component of customer-based brand equity when trademarks/brands are considered individually?
- Research question four: Is the effect of tarnishing and blurring on affect as component of customer-based brand equity different or similar when trademarks/brands are considered individually?

- Research question five: Is the effect of tarnishing on affect as component of customer-based brand equity different or similar when trademarks/brands are compared?
- Research question six: Is the effect of blurring on affect as component of customer-based brand equity different or similar when trademarks/brands are compared?

5.4.2 Cognition

Cognition is the process by which input relating to an object is transformed, reduced, elaborated, stored, recovered and used (Compeau, et al., 1998). The result of this process is beliefs, thoughts and associated object attributes about an attitude object, stored in and recruited from memory, in response to a stimulus (Albarracin, et al., 2005; Maio, et al., 2010). Beliefs have been conceptualised as "...estimates of the likelihood that the knowledge one has acquired about a referent is correct or, alternatively, that an event or state of affairs has or will occur" (Albarracin, et al., 2005, p. 274)). Beliefs also vary in strength and can refer to a specific event or situation or a general one. Beliefs pertain to knowledge and include cognitions, knowledge, opinions, information, inferences, overt (expressed); covert (unexpressed); inferred or perceived responses (Fishbein & Ajzen, 1975).

Cognition also range from extremely negative to extremely positive and are located on an evaluative dimension of meaning. According to Winchester, Romaniuk and Bogomolova (2008) positive beliefs represent qualities generally considered to be desirable for a brand in that product category (for example high quality in the luxury apparel category) while negative beliefs are those considered to be undesirable (for example poor service in the banking/financial services category). The same authors (Winchester, et al., 2008) further argue that both positive and negative brand beliefs contribute to brand choice and is a component of overall brand attitude. A variety of studies identify variables that could be used to measure consumer beliefs.

A study conducted by Batra and Ahtola (1991) measured the utilitarian (cognitive) response of consumers to marketing stimuli with the descriptors useful/useless; valuable/worthless; beneficial/harmful; and wise/foolish. The measure in this instance is based on the functional benefits of the attitude object as reflected by the descriptors used to measure it. Crites, Fabrigar and Petty (1994) suggest that useful/useless; valuable/worthless; beneficial/harmful and wise/foolish be used as descriptors to measure

the cognitive dimensions of attitudes. Later studies by Spangenberg, Voss and Crowly (1997) used the descriptors useful/useless; practical/impractical; necessary/unnecessary; functional/not functional; sensible/not sensible; helpful/unhelpful; efficient/inefficient; beneficial/harmful; handy/not handy; unproductive/productive; problem solving/not problem solving and effective/ineffective to measure utilitarian consumer response. Voss, Spangenberg and Grohmann (2003) shortened their 1997 utilitarian scale to 5 questionnaire items: effective/ineffective; helpful/unhelpful; functional/not functional; necessary/unnecessary and practical/impractical. When individuals think that an attitude object, like a brand, is not for example beneficial or practical, the individuals' attitude towards the attitude object may change or/and a situation called cognitive dissonance may develop.

Eight models have been developed that explore cognitive influences on attitude change (Maio, et al., 2010). The two models that have had the biggest impact and garnered the most support are the Heuristic Systematic Model (HSM) (Chaiken, 1980; Chaiken & Maheswaran, 1994) and the Elaboration Likelihood Model (ELM) (Petty & Cacioppo, 1996; Petty, et al., 1988). This is because both models are based on the premise that the role of cognitive responses to a message varies across people and situations. The Motivation, Opportunity and Ability (MOA) framework (MacInnis, Moorman, & Jaworski, 1991) also deserves recognition as it explains cognitive responses to messages that vary across people: communication effectiveness is in part driven by consumers' motivation, opportunity and ability to process brand information from an advertisement.

In terms of the HSM, attitude change is driven by one of two processes, namely, systematic processing or heuristic processing. Systematic processing refers to when people process information in a systematic way because they are highly motivated and also have the ability to process information. When people are not highly motivated and have low ability they use heuristics like emotions to help them process information, thus being referred to as heuristic processing. The ELM is conceptually similar to the HSM as both models are based on the central tenet that attitude change is determined by people's motivation and ability to process issue-relevant information (Wood, 2000). ELM distinguishes between cognitive and affective processing by referring to cognitive processing as the central and affective processing as the peripheral route of information processing. Cognitive processing in the ELM is similar to systematic processing in the HSM while affective processing in the ELM is similar to heuristic processing in the HSM.

These two models are thus referred to as dual process models because they both use affective and cognitive processes to explain information processing, persuasion and ultimately attitude change. The central premise of the MOA framework is that executional elements may "...enhance consumers' motivation, opportunity and/or ability (MOA) to process information from an ad" (MacInnis, et al., 1991, p. 32) and therefore executional elements play a "...[meditational] role between a viewer's innate level of involvement and attitude change" (Berger, Cunningham, & Kozinets, 1999, p. 493). In essence, the theory proposes that the motivation or level of involvement of the consumer that leads to the processing of information communicated through an advertisement may not be a static – but rather a dynamic variable influenced by *inter alia* advertising exposure.

In an early study, Maheswaran (1992) conducted a study to understand brand name effects within the HSM. The author's findings indicate that brand name utilisation is moderated by consumers' level of motivation as well as the extent to which brand name based expectations are confirmed by subsequent processing of attribute information. Berger (1999) investigated using two experiments how cause claims (charitable organisations and donations) affect persuasion in print advertising. The experiments were guided by the theories of the dual process models of persuasion (HSM and ELM) and the executional cue framework (MOA) and found that if a cause claim is included in brand advertisement the influence on brand attitudes and purchase intentions was strong. Cause claims were found to have a differential effect on female compared to male viewers and females tended to generally have more positive attitudes towards cause claims and the products they are associated with.

Another theory that attempts to explain attitude change is called Cognitive Dissonance theory, first proposed by Festinger in 1957 (Bohner & Wanke, 2002). The theory and subsequent research has led to an enhanced understanding of attitude and behaviour change processes. In essence, the theory describes a person "...as being in a dissonant state if two elements in her/his cognition (that is, in her/his knowledge of her/himself, her/his behaviour, her/his feelings, desires, or in her/his knowledge of the world) are inconsistent" (Soutar & Sweeney, 2003, p. 227). The 'dissonant' state referred to has both cognitive and emotional dimensions. The cognitive dimension refers to the 'wisdom of purchase' and 'concern over the deal' while the emotional dimension refers to a person's psychological discomfort subsequent to the purchase decision (Soutar & Sweeney, 2003). Cognitive dissonance theory suggests that behaviour can cause discrepant cognitions and

that, in order to reduce the tension caused by the discrepant cognitions (Maio, et al., 2010), people sometimes change their attitudes. More specifically, people can also act not in accordance with their attitudes, but rather in line with the requirements of a social context or role. Kruglanski and Stroebe (Albarracin, et al., 2005, p. 356) also suggest that attitude change produced by a dissonant state may also be the result of "...various self-protective motives that have little to do with accuracy or reality per se". This notion is based on a study conducted by Higgins (1981) that showed game show communicators expressed attitudes congruent with audience preferences, a notion that corresponds with Kelman's (1958) identification process. This finding implies that congruence of expressed attitude means that consumers may express another attitude than what they actually support, or change their attitude to establish or maintain a satisfying self-defining relationship to another person or group.

Two separate studies have been conducted to investigate how affect and cognition influence consumer decision-making. In the first study Garbarino and Edell (1997) showed that respondents selected a brand if it was effortless to evaluate, in other words did not require intense cognitive effort, and were also willing to pay a price premium for an effortless alternative. Secondly, as cognitive effort increased, negative affect also increased and the likelihood that the alternative responsible for this effect be selected, decreased. This effect was exaggerated under time pressure unless a clearly superior alternative was available. Two experiments were conducted in the second study (Shiv & Fedorikhin, 1999) where respondents could choose between two alternatives. One alternative was fruit salad (low on positive affect, high on favourable cognitions) and chocolate cake (high on positive affect, low on favourable cognitions). The results showed that if processing resources were limited affect impacts choice and respondents chose the alternative superior on the affective dimension and *vice versa*. These are similar to the conclusion of Compeau et al. (1998, p. 305) that affect was not only an important factor in consumers' subjective evaluations, but also that the "...influence of cognitive responses on the subjects' product evaluations appear to operate through affect".

Cognition, the second component of brand attitudes, refers to thoughts, beliefs, and knowledge. Tarnishing, which refers to damage to the reputation of the trademark/brand, will result in consumers thinking less in qualitative terms of the trademark/brand because the trademark/brand has become less favourable. Blurring, which refers to damage to the character of the trademark/brand, will result in consumers thinking less clearly of the

trademark/brand because the trademark/brand has become less defined. Negative beliefs represent qualities generally considered to be undesirable for a trademark/brand (Winchester, et al., 2008). Cognition has a strong influence on attitude change (Maio, et al., 2010), explained by the Heuristic Systematic Model (HSM) of Chaiken (1980) and Chaiken and Maheswaran (1994) and the Elaboration Likelihood Model (ELM) of Petty and Cacioppo (1996) and Petty, et al. (1988). However, Cognitive Dissonance theory, (Bohner & Wanke, 2002) probably explains attitude best within the context of trademark/brand dilution. The theory proposes that individuals find themselves in a dissonant state if cognitions, relating to the individual's knowledge, behaviour, feelings, desires and knowledge of the world, become inconsistent. As a result, consumers may question the wisdom of their purchases and be concerned over their decision to purchase. Consequently, because the discrepant cognitions create tensions, individuals change their attitudes to reduce their tensions (Soutar & Sweeney, 2003). Cognitive dissonance may lead to attitude change and attitude change precedes consumer behaviour and ultimately consumer purchase intention. In general it can also be posited that if a trademark/brand is diluted, the ability of the trademark/brand to fulfil its utilitarian and knowledge functions become inhibited (Katz, 1960). Consumers may think that they cannot obtain the same rewards, avoid particular punishments, and be satisfied in terms of their needs relating to cognitive order, structure and meaning (Aaker, 1996).

The six preliminary research questions formulated in Chapter 3 are now extended to brand cognition as sub-component of brand attitudes and customer-based brand equity:

- Research question one: Do tarnishing and blurring have an effect on cognition as component of customer-based brand equity when all trademarks/brands are considered together?
- Research question two: Does tarnishing have an effect on cognition as component of customer-based brand equity when trademarks/brands are considered individually?
- Research question three: Does blurring have an effect on cognition as component of customer-based brand equity when trademarks/brands are considered individually?
- Research question four: Is the effect of tarnishing and blurring on cognition as component of customer-based brand equity different or similar when trademarks/brands are considered individually?

- Research question five: Is the effect of tarnishing on cognition as component of customer-based brand equity different or similar when trademarks/brands are compared?
- Research question six: Is the effect of blurring on cognition as component of customer-based brand equity different or similar when trademarks/brands are compared?

It was shown in this section that affect and cognition are sub-components of overall attitude and that they are conceptually distinct, yet interlinked. The next section will review the consequences of attitudes with a specific focus on the influence of positive/negative attitude on consumer decision-making, memory and product strategy.

5.4.3 Specific consequences of attitude

Most companies have at least three marketing objectives: acquiring customers, developing customers and retaining customers (Desai & Mahajan, 1998). In order to realise these objectives firms can use affect to build positive brand attitude. When customers have a positive brand attitude, they are likely to purchase/use the brand, more willing to purchase/use the brand's extensions, more likely to be loyal to the brand and more likely to pay a price premium compared to when they have a negative attitude towards the brand. Positive affect has been shown to effect consumer decision-making, consumer memory and product positioning strategy.

5.4.3.1 Consumer decision-making

A review of the earlier consumer behaviour literature reveals that a response to a stimulus, and subsequent consumer behaviour, was primarily the result of cognitive effort: knowledge, opinions, beliefs and thoughts were produced or sourced from memory in response to a stimulus (Compeau, et al., 1998; Fishbein & Ajzen, 1975). Consumers make decisions by assessing the "...impact and likelihood of possible outcomes of alternative as well as the utility value of each alternative" (Plassmann, et al., 2006, p. 4). However, affective response, conceptualised as the "...feeling state that occurs in response to a specific stimulus, based on feelings" (Compeau, et al., 1998, p. 296) has been shown to also influence consumer behaviour. Holbrook and Hirschman (1982) posit that affect is the primary motivator and provider of unique information in predicting consumer behaviour. In other words consumers do not always engage in extensive (cognitive) decision-making

when making decisions even if the item is purchased for the first time, expensive or a risky purchase (Erevelles, 1998). As such, consumers have been shown to use affective impressions that they remember even if the information on which the information is based is forgotten. Affect, whether related or unrelated to the consumer's decision, can have a significant influence on the choice process (Schwarz & Clore, 1996) .

When consumers need to make decisions two systems interplay during information processing: the emotional (affective) and the analytic (cognitive) system. Affect influences conscious as well as subconscious decision-making. When conscious decision-making takes place, conscious feelings are integrated as rational information in analytic information processing. In the case of unconscious decision-making non-analytic information processing takes place as decision-making is directly influenced by emotions. For Plassmann et al. (2006) strong brands are affect-laden stimuli and brand choice processes can be based on the 'affect heuristic' where people rely on automatically (conscious or unconscious) occurring affective (positive or negative) responses to specific stimuli to make choices. Tracking neural brain activity Plassmann et al. (2006) found that for an individual's first choice brand, decision strategy is based on the affect heuristic, in contrast to lower choice brands where information is processed via the analytic or cognitive system. This finding corresponds with the findings of Chaiken and Maheswaran (1994). Research reported by Slovic, Finucane, Peters and MacGregor (2004) showed that people were prepared to spend twice as much on insurance to insure an irreparable antique clock (with sentimental value) against loss in shipment than to insure a similar functioning clock (without sentimental value) even if the payout for both losses would have been the same. The purchaser of a second hand car will also be more willing to obtain insurance if the car is a beautiful convertible as opposed to an ordinary station wagon (Slovic et al. (2004)). Increased reliance on the affect heuristic and decreased cognitive processing was also demonstrated by Finucane, Alhakami, Slovic and Johnson (2000) when a time constraint was introduced in the decision making context. Others (Finucane, et al., 2000) have shown that an introduced stimulus could alter the favourability of overall affective evaluation and that risk and benefit (cognitive) evaluations would change as a result.

Winchester, Romaniuk and Bogomolova (2008) investigated how positive and negative brand belief levels differ before, and change after, consumers defect from a brand or take up a new brand. They make two significant observations (Winchester, et al., 2008). Firstly

they showed that negative beliefs were more discriminating when the brand defection was initiated by the customer as opposed to during a renewal process. Secondly, new brand users have a higher propensity to have positive beliefs prior to taking up the brand compared to non-users who did not take up the brand. However, the influence of affect on beliefs is undisputed and well documented, and seems to be the prevalent influence on beliefs and overall attitudes.

Yi (1990) showed that cognitive priming effects operated mainly through attitude towards the brand while affective priming effects worked primarily through attitude toward the advertisement. Research conducted by Kim, Lim and Bhargava (1998) also showed that affect can influence attitudes even in the absence of product beliefs and that affect plays as important a role as the belief mechanism in attitude formation. Decreased cognitive effort during evaluation also increased the probability that a brand will be selected and a price premium will be paid while increased cognitive effort lowered the likelihood that an alternative that requires cognitive effort will be selected (Garbarino & Edell, 1997). Even though negative beliefs do influence consumer behaviour, the primary influence seems to be affect.

Affect changes cognitive processes through elaboration and thinking effects in a wide variety of applied settings and among diverse populations. Affect does not transfer automatically and cognitive processes involving people's goals and understandings also play a role in affect transfer and its effects on thoughts and inferences (Isen, 2001). Even mild positive affect influences thinking and it has also been shown that negative affect such as fear can be used to influence consumer decision making (Erevelles, 1998). An example is provided by Bagozzi and Moore (1994) who used Lazarus's (1991) theory of emotion and adaptation to test a decision model for public service advertisements. They showed that if a negative emotion does not represent a direct threat to the decision-maker, advertisements eliciting negative emotions lead to empathetic reactions, resulting in decisions to help. Affective responses to sensory stimuli has also been shown to influence subsequent subjective (cognitive) evaluations (Compeau, et al., 1998). In three studies it was illustrated that prior (existing) affect as well as affective responses influenced subjective (cognitive) evaluations (perceptions of quality). In their specific research context, affective responses also mediated the influence of cognitive responses on quality perceptions. It seems as if systematic processing becomes more efficient (increased elaboration), for example by increased variety seeking behaviour and a broader

consideration set in product selection, while processing quality becomes more thorough (increased thinking), for example enhanced problem solving, under positive affect. Herr and Page (2004) and Herr, Page, Pfeiffer and Davis (2012) showed, using experimental research, that positive affect results in more efficient processing while negative affect appears to make judgements both less efficient and more demanding. Furthermore, under conditions of positive affect subjects are inclined to assimilate material for decision making and be less confused when confronted by a large set of propositions. Positive affect allows subjects to work faster and either finish earlier "...or to turn attention to other important or interesting tasks within the materials" (Isen, 2001, p. 78). Positive affect effects cognitive change by means of increased problem solving, cognitive flexibility and innovative responding extending to how consumers make purchasing decisions. Isen (2001) has also identified a wide range of phenomena that positive affect may reduce, like assimilation, primacy, stereotyping, correspondence bias, the perseverance effect, overconfidence, and possibly the illusory truth effect.

Positive affect has also been shown to influence consumers' willingness to sample other products under the brand for which they have positive affect, possibly increasing the brand's market share (Isen, 2001). Kahn and Isen (1993) conducted three experiments to determine whether induced positive affect, in this instance represented by a positive every day event, facilitated more variety seeking behaviour. The authors found that positive affect did promote variety seeking behaviour for safe, enjoyable products and that it improved a person's expectations of the outcomes of a decision (Erevelles, 1998). Subjects are therefore more likely to categorise non-typical products as belonging to a predefined product category relative to control conditions. The credibility of the product also increases under positive affect and subjects use a more extensive portfolio of options during decision making. Desai and Mahajan (1998) uses the research conducted by Kahn and Isen (1993) to explain that customers are more likely to switch to a discontinuous innovation if attitudinal affect is positive because then customers expect the consumption experience of discontinuous innovations to be more enjoyable. In respect of incongruent usage situations positive affect induced through an advertisement, may make customers consider the brand suitable for consumption in new situations.

According to the Elaboration Likelihood Model (ELM) of Petty and Cacioppo (1996) attitude change is determined by the motivation to process information and attitude change therefore depends on the nature and amount of elaboration or processing of relevant

information that occurs as a result of receiving a persuasive message. ELM also explains cognitive influences on attitude in the consumer decision-making process and brand purchase decision. Taking into consideration both the nature and amount of elaboration or processing, Rossiter, Percy and Donovan (1991) developed The Rossiter-Percy Grid (Figure 5.1 below) that that represents four different types of decision making processes.

The Rossiter-Percy Grid (Rossiter, et al., 1991) is based on Aaker's (1991) brand theory and is a model of attitude that represents how consumers evaluate products and brands. Within the Rossiter-Percy Grid consumer attitudes to product and service brands are dimensionalised according to type of 'involvement' that is either 'high' or 'low' and type of 'motivation' that is either 'informational' or 'transformational'. The Rossiter-Percy Grid is similar to an earlier model, the FCB Grid (Grimm, 2005), that dimensionalise consumers' attitudes towards products in terms of 'involvement' that is either 'high' or 'low' and 'think-feel'. However, the Rossiter-Percy Grid posits brand awareness, consisting of brand recognition (at point of purchase) and recall (prior to purchase), as antecedent to brand attitude because involvement is dependent on the target audience's familiarity with the brand and the product or service category.

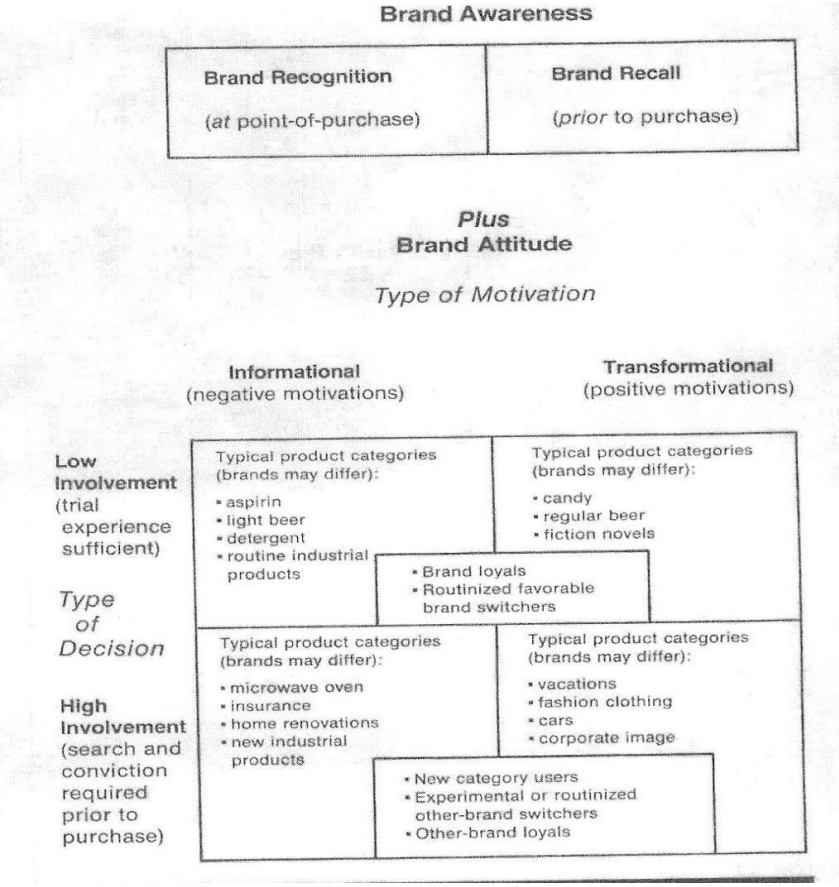

Figure 5.1: The Rossiter-Percy Grid

Source: Rossiter, et al. (1991)

5.4.3.1.1 Type of decision: High-low involvement

People are motivated to hold the correct attitudes and involvement or type of decision impacts on the amount of cognitive processing being undertaken (Bibby, 2006). Involvement is defined in terms of the perceived risk in the target audience's choice of a brand on an occasion. Consumer brand choices vary according to the consumers' level of involvement or cognitive processing in making the brand choice and can be either high or low. Involvement is high if attitudes result from complex cognitive processing that requires high effort to analyse. Brand choice is personally relevant and perceived risk high when high involvement decisions are made. Consumers therefore process marketing information on a detailed level. Low involvement decision-making implies attitudes that result from simple cognitive processing that requires low analytical effort. Consumers resort to peripheral cues that are more important than informative advertising messages to make brand choices. Brand choices are perceived as low in risk and consumers make brand choices on a 'try and see' basis. High involvement products and services include life

insurance, car insurance, credit cards, hotels, steak restaurants and holidays while low involvement products and services include banks, photo processing, fast foods and long distance phone calls (Mortimer, 2002).

5.4.3.1.2 Type of motivation: Informational/transformational

Brand choice is based on informational or transformational motives. Negative motives are informational in nature while positive motives are transformational in nature. Informational and transformational motives both incorporate feelings. Informational motives in brand choice decisions are negatively reinforcing purchase motivations that can be satisfied by providing information about the product, service or brand because the objective of negatively-originated motives are problem removal, problem avoidance, incomplete satisfaction, mixed approach-avoidance and/or normal depletion (Bibby, 2006). Products and services that are based on informational motives include life insurance, car insurance, credit cards, brands and photo processing while products and services that are based on transformational include hotels, steak restaurants, fast foods and long distance phone calls (Mortimer, 2002). Transformational motives to brand choices are positively reinforcing purchase motivations that promise to enhance the brand's use by effecting a transformation in the brand user's sensory, mental or social state. Positive transformational motives include sensory gratification, intellectual stimulation (achievement, mastery) and social approval. Products and services that are based on transformational motives include hotels and fast-food. Products and services based on informational motives include insurance and banks.

Theory on level of involvement and type of motivation has not only been used to improve advertising efficiency and effectiveness, but also as framework in academic research. Grimm (2005) observed that consumer brand processing as well as choice are made along the thinking and feeling dimensions of the FCB Grid. She also found that advertisers should give more factual information for thinking (informational) products and more emphasis should be placed on emotions for feeling (transformational) products. She also found evidence that attributes are important in determining preferences across all product categories but also that the cognitive and affective sub-components of brand attitude are inextricably intertwined which may explain consumer responses to brands. Within the online context researchers (Da Silva & Alwi, 2006) have also found that brand attributes (informational or think component of type of decision) has a substantial effect on the online and offline corporate brand image. Furthermore, certain attributes or thoughts are more

important than others in predicting online and offline corporate brand image. Contemporary research (Geuens, De Pelsmacker, & Faseur, 2011) indicates that emotional advertisements outperformed non-emotional advertisements in terms of attitude towards the brand. Additionally, for high involvement/feeling (transformational) products there was a marginally significant difference between the effects of emotional versus non-emotional advertising appeals. For high involvement/thinking (informational) products the difference between emotional and non-emotional advertising appeals was insignificant. The authors conclude that emotional advertisements have a positive effect on brand attitude, irrespective of the type of decision (high/low involvement) and type of motivation (informational/transformational) and that this effect is the rule rather than the exception.

5.4.3.2 Memory

Positive affect influences how information, feelings and experiences are encoded into memory as well as how it is retrieved. Positive affect also enhances memory access and has been shown to also influence brand choice decisions (Erevelles, 1998; Isen, 2001; Kahn & Isen, 1993; Stayman & Batra, 1991). The 'affect referral' hypothesis of Wright (1975) proposes that consumers do not use any specific attribute information when making brand choices but opt instead to choose a brand for which the retrieved affect (from memory) is most positive. The affect retrieved from memory is usually based on global affective impressions of options and also requires very low levels of effort. The role affect plays in brand choice has also been explained by the concept 'affective tag' and is conceptually similar to the 'affect heuristic'. An affective tag is a memory trace "...that contains the holistic affective experience associated with a stimulus" while a stimulus is defined as "...any sensory input that arouses an individual's sensory organs" (Compeau, et al., 1998, p. 296). The stimulus may be a product attribute, for example taste, or an informational cue such as brand or price. The meaning a stimulus creates or represents is unique to the individual, the stimulus and the situation. Of importance is the fact that brands with more dominant affective sub-components are recalled prior to brands that have a less dominant affective component. Erevelles (1998) suggests that the affective component of overall brand attitudes not only influences brand retrieval from memory and brand choice but also the accessibility of the brand (latency of response to an attitudinal enquiry) possibly because affect may be more readily accessible than evaluative (cognitive) information.

Stayman and Batra (1991) tested the possible role advertising played in strengthening the ties between affect and a brand name in memory and whether affect plays a larger or smaller role in low rather than high involvement conditions. Their (Stayman & Batra, 1991, p. 232) results indicated that "...subjects whose brand preference were influenced by positive affect during advertising exposure were more likely to feel positive when the brand name was used as a subsequent retrieval cue compared to either subjects without positive affect at exposure or subjects for whom a different brand name was used as the subsequent retrieval cue". This means that, within the context of involvement conditions, that in low rather than in high involvement conditions affect served as a peripheral cue, that induced positive affect influences brand choice as well as choice certainty. As a result, when the brand name is used as a subsequent retrieval cue, subjects exposed to positive advertising affect felt more positive than those in other conditions (Desai & Mahajan, 1998).

5.4.3.3 Product positioning

Consumers may develop attitudes based on utilitarian and hedonic product attributes, referred to as utilitarian and hedonic attitudes (Batra & Ahtola, 1991; Holbrook & Batra, 1987; Holbrook & Hirschman, 1982; Mano & Oliver, 1993). Utilitarian attitudes are based on reason-based beliefs about hard product attributes or functional attributes and performance characteristics of the product. Hedonic attitudes are based on pure liking and refer to experiential, emotional and aesthetic aspects of the product (Argyriou & Melewar, 2011). Batra and Ahtola (1991) placed brands on a continuum, based on the utilitarian and hedonic (bi-dimensional) attitude sub-components towards the brand and developed and validated a scale, consisting of several semantic differential items, to measure these sub-components (Erevelles, 1998). The utilitarian attitudes toward the brand were measured using the descriptors useful/useless; valuable/worthless; beneficial/harmful and wise/foolish. The hedonic attitudes toward the brand were measured using the descriptors pleasant/unpleasant; nice/awful; agreeable/disagreeable and happy/sad. Overall attitudes toward the brand were measured with the descriptors good/bad; positive/negative; like/dislike and favourable/unfavourable. Attitudes (utilitarian, hedonic, overall) measured on this continuum can shift (for example becoming relatively less favourable) after exposure to a stimulus (for example viewing a tarnished – or blurred brand) or affect (hedonic) can transform beliefs (utilitarian).

Product attribute satisfaction and dissatisfaction (cognitive judgement) are significantly related to positive and negative affect (affective reaction) respectively. In turn, positive and negative affect influence product satisfaction positively or negatively (Desai & Mahajan, 1998). If positive affect is induced a consumer's beliefs about the product's attributes may be transformed into beliefs about the product's benefits (Erevelles, 1998) which means that positive affect can transform a product from delivering a functional benefit on a tangible level to providing a symbolic or self-expressive benefit on an intangible level. If a consumer's affective product expectations are met, it may lead to positive product satisfaction judgements. This means that if the consumer felt what he/she expected to feel on an affective level, he/she will judge the product positively on a cognitive level. Respondents in a study reported their affective responses on high/low involvement products' currently in use to assess the relationship between product evaluation, affect and satisfaction (Mano & Oliver, 1993). In the post-consumption experience of this study, utilitarian and hedonic product judgements are causal antecedents of pleasantness and arousal (two dimensions of post-consumption affect) as well as product satisfaction. The results showed that hedonic product evaluation was more positively related to affect while satisfaction was strongly related to positive affect and utilitarian evaluation. This means that affective experiences of pleasantness and arousal are related to 'liking' and that satisfaction is related to positive 'liking' and product evaluation.

Finally, positive affect also influences consumers' acceptance of brand extensions to product types that are less typical of a brand's usual product domain. Positive affect also influences variety seeking in product choice; the size and range of the consideration set (i.e. the kind of items that are even considered); the way products are categorised and thought about (Isen, 2001).

This section has illustrated that although negative beliefs influence consumer attitude, the primary influence is exerted by affect. Affect can change cognitive judgements and positive affect specifically influences how information is encoded and retrieved from memory. Cognitive judgement of product attributes is significantly related to positive and negative affect, ultimately determining product satisfaction. The next section investigates how consumers are likely to act as indicated by their purchase intentions, how stable their attitudes are (importance and confidence) as well as the latency of response to the attitudinal inquiry (accessibility).

5.5 THE ROLE OF ATTITUDES IN CONSUMER BEHAVIOUR

Attitudes vary in terms of how positive or negative (valence) they are as well as their relative intensity. Strong attitudes are persistent over time, resistant to change, predictive of behaviour and influential in information processing. Attitude strength is *inter alia* indicated by and measured in terms of the accessibility of the attitude's association and the stability of the attitude, as indicated by the relative importance and certainty (confidence) with which the attitude is held. The influence of attitude on behaviour has been well explained by the Theory of Reasoned Action (TRA) and its extension the Theory of Planned Behaviour (TPB) (Fishbein & Ajzen, 1975) as well as the MODE model (Motivation and Opportunity as Determinants of Behaviour)(Eagly & Chaiken, 1993) and is further applied to the concept attitude strength and its sub-components attitude valence, accessibility and stability. Attitude accessibility and - stability are variables of specific importance because they impact on attitude change (Gilbert, Fiske, & Gardner, 1998).

5.5.1 Attitude strength

Attitude strength is also the most important dimension of attitude that moderates attitude-belief congeniality effects (Albarracin, et al., 2005). Strong attitudes lead to consistent beliefs given that the attitude is important. Attitude importance is associated with more accessible attitudes, and more accessible attitudes imply that the subject (person) is more knowledgeable about issues, in turn linked to stronger core values and higher internal consistency. Stronger attitudes also mean more thoughtfulness in response to counter-attitudinal information.

Bohner and Wanke (2002) and Visser, Krosnick and Simmons (2003) summarise the most important indicators of attitude strength as accessibility; importance; certainty (confidence); ambivalence; extremity; elaboration; knowledge base; intensity; evaluative-cognitive consistency; and evaluative-affective consistency. These variables have also been described as moderators of the attitude-behaviour relationship (Fazio, 1986). Albarracin, et el. (2005) distinguishes between two broad classes of attitude strength indicators described as meta-judgemental self-reports and operative measures. Meta-judgemental self-reports refer to subjective feelings of certainty and confidence and objective opinions of importance based on affective content. Operative measures refer to indices that are objectively derived from the process of forming an attitude judgement or from its outcomes, for example response time as measure of accessibility. Meta-judgemental measures suffer more from reactivity effects while operative measures explain unique

variance in outcome variables such as attitudinal persistency and resistance. It is thus advisable to use both meta-judgemental - and operative measures when measuring the strength of attitudes.

These indicators of attitude strength, accessibility and stability, are independent properties of attitudes (Bohner & Wanke, 2002). A strong attitude is more persistent or stable over time (Visser & Krosnick, 1998) and the question whether attitudes are evaluative representations of attitude objects stored in memory versus temporary constructs, depends on attitude strength. Maio, et al. (2010) point out that if an attitude is stored in memory, it is usually strong and stable over time and context. If, on the other hand, an attitude is a temporary construct it is constructed on the spot, and usually not very strong, in other words not highly accessible. A strong attitude is thus stored in memory and is stable and enduring while a weaker attitude is a temporary construct that is more malleable and likely to be constructed on the spot. A strong attitude is also resistant to change especially if based on extensive and consistent knowledge, strong behaviour and past behavioural experiences (Maio, et al., 2010). Strong attitudes also influence information processing (Houston & Fazio, 1989) and predict behaviour (Holland, Verplanken, & Van Knippenberg, 2002). Lord, Ross and Lepper (1979) demonstrated the effect of strong attitudes on information processing in a study about attitudes towards the death penalty. The authors showed that if a respondent is confronted with evidence consistent with his/her own attitude, the respondent's attitude towards the death penalty was rated more favourable. If the respondent was exposed to information that contradicts his/her own viewpoint, such attitudes (towards the death penalty) were polarised. The congruence between the respondent's attitude and contradicting/corresponding information means that if information concurred with an attitude, the attitude towards the attitude object became more favourable and if it does not concur, the attitude of the subject became further removed from the non-concurring opinion. Within a brand consideration and choice context Priester, Nayakankuppam, Fleming and Godek (2004) investigated the influence of attitudes and attitude strength on consideration and choice and demonstrated that attitudes and attitude strength in combination influence whether an alternative is considered. The influence of attitudes is greater if they are strongly-held attitudes compared to weakly-held attitudes and if a brand is liked, the brand will more probably be considered compared to disliked brands. Strongly held positive attitudes in respect of an attitude object, like a brand, are more likely to effect in the attitude object's (brand's) consideration and choice. Strong attitudes guide behaviour, partially because they influence the alternative considered prior to choice. In summary, strong attitudes are

durable because they are persistent and resistant as well as impactful as they influence information processing, judgements and behaviour (Petty & Krosnick, 1995).

The cognitive component of attitudes also plays an important role in attitude formation. Three of the consequences of strong attitudes, namely resistance to change; persistence over time; and 'predictiveness' of behaviour, are in terms of the Elaboration Likelihood Model (Petty & Cacioppo, 1996) enhanced by central route processing (cognitive) as opposed to peripheral (affective) route processing.

Two of the indicators of attitude strength, namely valence and stability (importance and confidence) and accessibility are most often used in similar studies and most appropriate for the purposes of this study.

5.5.1.1 Attitude valence and stability

Attitude valence and stability as well as attitude accessibility are correlated with attitude strength but are independent of each other. Attitude valence is an evaluative aspect of attitudes while attitude stability and accessibility are non-evaluative aspects of attitudes, moderating the relationship between attitudes and behaviour. Attitude accessibility refers to how easily an evaluation is accessed while stability refers to how confidently an evaluation is held or how certain a person is of his/her attitude. Importance refers to how significant the attitude is to the person who holds it. Berger and Mitchell (1989) developed an extensively-used attitude confidence and accessibility scale where highly accessible attitudes, retrieved from memory and held with high levels of confidence, are strongly predictive of subsequent behaviour. The importance of the attitude (Krosnick, 1988), as it contributes to the stability of the attitude, also contributes towards a better understanding of subsequent behaviour.

Attitudes vary in terms of valence or direction (positive and negative) and strength or the extent of the valence (Eagly & Chaiken, 1993). Attitude strength "...more or less reflects the intensity of one's feelings and beliefs" (Bohner & Wanke, 2002, p. 49). Attitude strength has been described as a one-dimensional construct where the positive and negative elements are at opposite ends of a single dimension where people will experience an attitude somewhere on the horizontal spectrum (Maio, et al., 2010). However, as it is thought that people experience attitudes that contain both positive and negative elements, a two-dimensional construct has been suggested that measures

positive attitude on the horizontal axis and negative attitude on the vertical axis (Bohner & Wanke, 2002).

Attitude stability is related to attitude strength and determined by asking how certain an individual is, or confident of, their attitude(s) and how important the attitude is to the individual personally (Haddock, et al., 1999; Visser, et al., 2006). Attitude certainty or – confidence refers to the amount of cognitive content supporting an attitude while importance refers to the amount of affective content supports an attitude. Attitude importance was defined by Krosnick (1988, p. 197) as "...a person's interest in or concern about an attitude, and to view linkage between an attitude and values, needs, and goals as one possible cause of importance". Attitudes were important if they were salient, weighty (possessing psychological significance or value) and accessible from memory (Pritchard & Funk, 2010). Within a social psychological context, applied to political science, Krosnick (1988) demonstrated that attitudes on preference depended on the importance of the attitude and if the political policy attitude was important, a large difference was perceived between the attitudes towards competing candidates. Attitude importance also causes the accumulation of knowledge by inspiring selective exposure to selective elaboration of relevant information. Greater personal importance was also associated with better memory for information that was personally relevant according to Holbrook, Berent, Krosnick, Visser and Boninger (2005). Pritchard and Funk (2010) also argue that attitude importance can influence and explain consumer behaviour and base their proposal and subsequent research hypothesis on Bassili's (1996) conceptualisation of attitude importance as an implicit cognitive process that is classified as a meta-attitude that is based on multiple judgements (defined as impressions) respondents hold of their own attitude. This conceptualisation can and has been extended to the brand arena where it was hypothesised that strong product attributes have the ability to induce comparable judgements about brands. Coulter, Price and Feick (2003) showed that in the cosmetics industry strong interest in a product category extended to the feeling that certain brands were also important. This means that the product and brand attitude were consistent and the result of larger cognitive processes. Pritchard and Funk (2010) also found merits for the meta-attitude of importance, reporting that attitude importance forms and influences response among sport spectators.

Attitude confidence or certainty in a brand context is the brand supporter's (buyer's) degree of certainty that his/her evaluative judgement of the brand is correct (Laroche &

Sadokierski, 1994). Haddock et al. (1999) conducted two studies within a social psychological context using attitude towards doctor-assisted suicide to examine the impact of subjective experiences on attitude certainty. The authors found that attitude certainty depended on the extremity of the individual's attitude and occurred only when the individual's subjective experiences were diagnostic. The implication of this finding is that when an individual forms a subjective judgement of attitude certainty, such a judgement is affected by the accessibility of experiences that accompanies the recollection of attitude-relevant information. Also within a social psychological context Visser et al. (2003) conducted three studies, using participants' attitudes on various social and political issues, to investigate the underlying structure of certainty by assessing how certainty related to information processing and subsequent behaviour. Results showed that certainty predicted the likelihood that a person will attempt to persuade others to adopt his/her attitude. However, certainty is not associated with the tendency to seek information that would enable people to use their attitudes in subsequent judgement. In the absence of accessibility, certainty does not predict behaviour.

Within a brand context, Fazio & Zanna (in Laroche & Sadokierski, 1994) showed that there is a positive relationship between attitude confidence and intention, especially in high involvement situations. Intention may be related to attitude confidence in evaluating the brand and attitude confidence. Subsequently, Laroche and Sadokierskie (1994) showed that attitude confidence explained intention in high involvement situations and their research provided a framework and modelled the relationship between attitude, attitude confidence and intention. Attitude confidence also appears to have the greater moderating effects on attitude-behaviour consistency than does attitude accessibility when consumers are engaged in deliberate (high involvement/personally relevant) decision-making (Berger, 1992). According to Tybout and Artz (1994) the moderating effect of attitude confidence on attitude-behaviour consistency occurs because customers focus on diagnostic information in deliberative situations and attitude confidence is related to this 'diagnosticity'.

It appears as if more complex networks of associations give consumers greater confidence in their attitudes (Krasnikov, Mishra, & Orozco, 2009). This coincidence firstly leads consumers to be less prone to change their attitudes and secondly attenuates the effect of competitor's persuasion attempts (Krasnikov, et al., 2009). If a consumer has strong, favourable and unique brand associations the consumer will hold attitudes with more

confidence, being less at risk to change his/her attitudes as well as countering competitive persuasion efforts.

If attitude valence and stability become relatively less positive and stable (weakens), either as a result of tarnishing or blurring, information processing (Houston & Fazio, 1989), brand judgements and consumer behaviour are harmed (Petty & Krosnick, 1995). This is because attitude strength refers to subjective feelings of certainty and confidence and objective opinions of importance based on affective content (Albarracin, et al., 2005). If an attitude becomes less important it becomes a less accurate predictor of consumer behaviour (Pritchard & Funk, 2010). If attitude certainty and confidence decrease, consumers become less certain that their evaluative judgement of the brand is correct (Laroche & Sadokierski, 1994). Decreased attitude strength implies that the attitude is not as persistent over time (Visser & Krosnick, 1998) or so resistant to change (Maio, et al., 2010). If attitude strength weakens, beliefs become inconsistent, brands do not form part of the consideration set anymore (Priester, et al., 2004) and fail to predict behaviour (Holland, et al., 2002).

The six preliminary research questions formulated in Chapter 3 are now extended to attitude valence and stability as sub-component of brand attitudes and customer-based brand equity:

- Research question one: Do tarnishing and blurring have an effect on attitude valence and stability as components of customer-based brand equity when all trademarks/brands are considered together?
- Research question two: Does tarnishing have an effect on attitude valence and stability as components of customer-based brand equity when trademarks/brands are considered individually?
- Research question three: Does blurring have an effect on attitude valence and stability as components of customer-based brand equity when trademarks/brands are considered individually?
- Research question four: Is the effect of tarnishing and blurring on attitude valence and stability as components of customer-based brand equity different or similar when trademarks/brands are considered individually?

- Research question five: Is the effect of tarnishing on attitude valence and stability as components of customer-based brand equity different or similar when trademarks/brands are compared?
- Research question six: Is the effect of blurring on attitude valence and stability as components of customer-based brand equity different or similar when trademarks/brands are compared?

The third sub-component of attitude strength, attitude accessibility, is discussed next.

5.5.1.2 Attitude accessibility

Most research on attitude accessibility, as discussed in this section, is based on Fazio's (1986) conceptualisation: attitude accessibility is the strength of the association between an evaluated object and its associated memory. Accessibility is therefore a function of the associative strength of the attitude object and the evaluation that the individual holds of the object (Fazio & Williams, 1986). It has also been described as the ease with which information can be retrieved from memory where ease of retrieval is a function of the frequency and 'recency' of its prior use (Bohner & Wanke, 2002). Accessible attitudes implies strong attitudes as accessibility is "...the strength of the associative link between object and evaluation, such that for highly accessible attitudes, the evaluation of an object is automatically activated from memory when that object is encountered" (Albarracin, et al., 2005, p. 81). Individuals with accessible attitudes have stronger attitudes (Hodges & Wilson, 1993) and response time to an attitudinal enquiry is therefore the key measure of accessibility (Fazio & Williams, 1986). Alternatively, accessibility can be conceptualised as "... represented in the connection weights within a connectionist model. In this model, accessibility would correspond to the ability of partial stimulus to quickly and accurately produce the entire pattern of activation for the attitude" (Albarracin, et al., 2005, p. 81). Within a brand choice context "...highly accessible attitudes are more likely to be activated from memory and thus more likely to influence brand perception and thereby brand choices than are less accessible attitudes" (Berger & Mitchell, 1989, p. 270). The accessibility of attitudes can be described in terms of the role it plays in consumer decision-making and behaviour. Attitudes that are highly accessible, as opposed to less highly accessible, enhance the consistency of attitudes, information processing and behaviour (Gilbert, et al., 1998). Within the consumer decision making context, well-rehearsed accessible attitudes both facilitate efficient decision-making and reduce stress during decision making (Blascovich et al., 1993). A more accessible attitude results in a

stronger correlation between attitude and beliefs (Albarracin, et al., 2005). The link between "...attitude importance and attitude-belief consistency is that importance involves highly accessible attitudes...toward objects that one has extensive knowledge about and that one is motivated to think about" (Albarracin, et al., 2005, pp. 381-382). Accessible attitudes are harder to change than less accessible attitudes as accessibility increases resistance to persuasion. In a low elaboration, condition accessibility may influence attitude change by moderating the extent to which a person will make snap decisions based on the salient attitude (the attitude that serves as peripheral cue) according to Petty and Wegener (in Gilbert, et al., 1998). Put differently, under a low elaboration condition accessibility may moderate the extent to which a person's pre-message attitude will serve as a peripheral cue (Wegener, Petty, Smoak & Fabringer, 2004). For Albarracin et al. (2005), a person may, independent of thoughtful scrutiny (i.e. under low elaboration), be likely to accept an 'evaluatively' consistent persuasive message or reject an 'evaluatively' inconsistent message. Under a high elaboration condition, the more accessible the attitude, the more it will bias message processing in an attitude-consistent direction (Houston & Fazio, 1989). Therefore, under a high elaboration condition, accessibility may affect the likelihood of pre-message attitudes biasing processing. Accessible attitudes are more resistant to bias because individuals are more likely to use their pre-message attitudes to interpret available information.

Within a political and social science context, Fazio and Williams (1986) found that highly accessible pre-message attitudes were more likely to bias evaluation of presidential debates or favourable and unfavourable messages about capital punishment (Houston & Fazio, 1989; Schuette & Fazio, 1995). Thus, when elaboration likelihood is not constrained, increasing attitude accessibility increases the likelihood that people will scrutinise the message (Fabrigar, Priester, Petty, & Wegener, 1998).

The strength of the association between object and memory is possibly the most critical dimension moderating the attitude-behaviour relationship. For Fazio (1986) "...behaviour is influenced by previously formed attitudes only if these attitudes are activated from memory in the behavioural situation. Activated attitudes are thought to filter or bias an individual's immediate perceptions of the object, which influences the individual's definition of the event and thereby frames or influences subsequent behaviour with respect to the object" (Berger, et al., 1999, p. 270). An attitude is accessible if it is retrievable from memory. Fazio (1995) argues that if an attitude is accessible it usually has a utilitarian or object

appraisal function. If highly accessible, it usually has a uni-polar attitude structure, which means either positive or negative (Pomerantz, Chaiken, & Tordesillas, 1995). The influence of attitude accessibility on behaviour can also be explained in terms of Fazio's (1990) MODE model. If attitude influence is effected through the spontaneous route, the strength of the association between the mental representation of the attitude object and its evaluation determines the likelihood that the attitude will influence judgement and behaviour. If attitudes are also highly accessible, there is a significant correlation between attitudes and behaviour (Fazio, 1986; Fazio & Williams, 1986).

Attitude accessibility can also be extended to brands. Nedungadi (1993) demonstrated that brand name accessibility and attitude accessibility may have similar effects at some stages of the consumer choice process. An increase in attitude accessibility leads to an increase in consideration. In a similar vein increased brand name accessibility will lead to an increased likelihood of consideration. Nedungadi (1990) also hypothesised that when choice is memory based, memory factors like brand accessibility could shape brand retrieval and consideration as well as affect brand choice without changes in the brand's evaluation. To test the hypothesis brand accessibility was systematically varied in a number of product classes and the effects on brand choice, consideration, retrieval, and evaluation were measured. Results indicated that, firstly, brand choice was significantly altered outside the traditional evaluation-based route through variation in the retrieval and consideration of brands. Secondly, the probability of brand choice was a function of brand evaluation, the accessibilities of the brand and its subcategories.

Attitude accessibility is usually measured using an adjective connotation task. The scale, originally developed by Berger and Mitchell (1989), presents respondents with an attitude object, for example a brand, on a computer screen. Respondents are then asked to make an evaluation (like/dislike or good/bad) in response to the object. Response latencies are recorded and it is inferred that quick reaction times indicate high accessibility while slow reaction times indicate low accessibility. This is an indirect measurement as it is inferred or implicit. A spontaneous evaluation measured implicitly is a stronger predictor of judgements and behaviour when motivation to deliberate is low. Attitude effects on perceptions will diminish with increased motivation to process information in a deliberative fashion (Albarracin, et al., 2005).

In summary, attitude accessibility influences attitude change via its influence on information retrieval during the decision-making process and the ease with which information is retrieved. Attitude accessibility depends on the frequency with which the attitude is activated (repeated expressions strengthen the associations between objects and evaluations), increasing ease of retrieval of the evaluation in memory (Albarracin, et al., 2005). Attitudes are also particularly accessible if based on information that the person considers highly diagnostic (i.e. credible evaluative information). Attitudes also influence behaviour, particularly if it is memory-based and retrieved.

Several studies (see above) have identified attitude accessibility as a good predictor of resistance against external attempts to change attitudes, such as persuasive messages. Attitude accessibility is also a good defence against internal attitudinal conflict when internal reasons are analysed. Hodges and Wilson (1993) investigated the moderating effect of attitude accessibility on attitude change resulting from an explanation of the reasons for one's attitude. The authors (Hodges & Wilson, 1993) concluded that people with accessible attitudes were less likely to base their attitudes on temporary salient thoughts about the attitude object. Not basing attitudes on temporary salient thoughts when attitudes are accessible may be because attitude accessibility moderates the effects of reason analyses on attitude change. Attitude strength, measured by attitude accessibility and stability (confidence and importance) are antecedents of consumer behaviour.

If a brand attitude becomes less accessible, as evidenced by a slower response time to an attitudinal enquiry, the strength of the association between the brand and its associated memory has weakened (Fazio, 1986). As a result brand perception and brand choice are detrimentally influenced (Berger & Mitchell, 1989) because the associative link between brand and evaluation weakens; resulting in an evaluation of a brand not being automatically activated from memory when the brand is encountered (Albarracin, et al., 2005). Brand attitudes that are less accessible implies that the attitudes are less consistent and do not facilitate efficient decision making and do not reduce stress during decision-making (Blascovich, et al., 1993). Brand attitudes that are less accessible no longer accurately predict consumer behaviour and judgement, making brands less resistant to change (Albarracin, et al., 2005; Holland, et al., 2002).

The six preliminary research questions formulated in Chapter 3 are now extended to attitude accessibility as sub-component of brand attitudes and customer-based brand equity:

- Research question one: Do tarnishing and blurring have an effect on attitude accessibility as component of customer-based brand equity when all trademarks/brands are considered together?
- Research question two: Does tarnishing have an effect on attitude accessibility as component of customer-based brand equity when trademarks/brands are considered individually?
- Research question three: Does blurring have an effect on attitude accessibility as component of customer-based brand equity when trademarks/brands are considered individually?
- Research question four: Is the effect of tarnishing and blurring on attitude accessibility as component of customer-based brand equity different or similar when trademarks/brands are considered individually?
- Research question five: Is the effect of tarnishing on attitude accessibility as component of customer-based brand equity different or similar when trademarks/brands are compared?
- Research question six: Is the effect of blurring on attitude accessibility as component of customer-based brand equity different or similar when trademarks/brands are compared?

The thoughts and feelings consumers have about a brand and the strength with which these thoughts and feelings are held (attitude stability, accessibility, and valence) determine how the consumer will behave. Behaviour is referred to as the conative and third component of attitudes (Maio, et al., 2010).

5.5.2 Behaviour

For Ajzen and Fishbein (1977), who support a methodological perspective, attitudes are not good predictors of behaviour because researchers have generally failed to operationalise and measure the attitude-behaviour constructs properly. However, strong attitude-behaviour relations emerge if there is high correspondence between the target and action elements of the attitudinal and behavioural entities. However, for Fazio (1986) and Fazio and Zanna (Desai & Mahajan, 1998), who prefer a moderator variable

perspective, attitudes based on direct experiences are more predictive of behaviour than attitudes based on indirect experiences. Fazio (1986) argues that activated attitudes filter or bias individual perceptions of the attitude object, influencing the definition of the event that is occurring, thereby framing or influencing subsequent behaviour with respect to the attitude object for attitudes based on direct experiences. Attitude accessibility, importance and confidence (discussed above) are moderator variables of the brand attitude and behaviour (purchase intention) relationship. Purchase intention is under attitudinal control rather than normative control, therefore a multi-attribute model (with both affective and cognitive sub-components) is most appropriate (Agarwal & Malhotra, 2005) in analysing purchase intention as result of the influence of feeling and thought.

For Bergkvist and Rossiter (2008) brand beliefs (cognitive component) and affect (affective component) are the antecedent variables of brand attitude, and purchase intention is the outcome variable (behavioural component) and it is within this context that purchase intention is discussed: positive attitude leads to favourable behaviour (more regular purchases) while negative attitude fosters unfavourable behavioural outcomes (Koll & Von Wallpach, 2009).

Affect-based attitudes have a stronger influence on behaviour compared to cognitive-based attitudes (Fazio, 1986). It has, for example, been shown that within an advertising context that the more positive the affect generated from surrounding programming the more favourable the brand evaluation and purchase intention (Yi, 1990). Aaker, Stayman and Hagerty (1986, p. 366), defining the affective variable ‘warmth’ as “...positive, mild, volatile emotion involving physiological arousal and precipitated by experiencing directly or vicariously a love, family or friendship relationship”, found that ‘warmth’ was significantly correlated to purchase likelihood and that it increased purchase likelihood. Humour has a similar effect. If a prior brand evaluation is favourable, exposure to humorous advertisements results in more positive advertising attitude, brand attitude and purchase intention, thus increasing the likelihood of choosing a particular brand (Chattopadhyay & Basu, 1990). Experiments measuring purchase intention by asking how likely/unlikely; probable/improbable; possible/impossible a purchase was, found that negative information was more salient and consumers relied more heavily on negative information when making purchase decisions. The prevalence to rely more heavily on negative information when making purchase decisions means that when negative information is present, the cognitive component of attitude features more strongly. Andrade (2005) examined the role mood

played in behaviour and found that positive feelings also increase purchase intention and decrease risk taking if odds of doing so is too high. Furthermore, when no mood changes were expected, affective evaluation mechanisms guide behaviour leading to a monotonic increase in behavioural intentions as affect conditions the shift from positive to negative intentions. Positive affect also influenced cognitive processes (such as memory and judgement) by extending to variety seeking behaviour in product choice. Positive brand belief contribute to increase purchase propensity while negative brand belief influences the potential to reject a purchase (Winchester, et al., 2008).

Baker and Churchill (1977) developed a scale, also used by (Kilbourne, 1986; Kilbourne, Painton, & Ridley, 1985; Okechuku & Wang, 1988; Perrien, Dussart, & Paul, 1985; Stafford, 1998), that tested the impact of physically-attractive models on advertising evaluations. The behaviour component of attitudes is captured by three behavioural intention items, namely to try the product; to buy the product and to seek out the product. They found that advertisements impacted differently on the three attitudinal components of behaviour: if the involvement with a product class was the same, the impact of the advertisement on each attitudinal component was the same for each product in that class. This means that advertisements using attractive/unattractive models were most successful in producing favourable cognitive evaluations and were least successful in producing positive behavioural intentions.

Kilbourne (1986) tested the effect of gender role stereotyping (a professional female versus a housewife version) on attitudes toward magazine advertisements. He found that behavioural intentions were significantly higher for the version using the profession female in the advertisement than that for the matched housewife version. This finding implies that traditional role portrayals can have a potential negative impact for some products. In further studies Kilbourne, et al. (1985) showed that gender embedding in magazine advertisements did have an effect on the evaluation of the advertisements by the respondents. In the Chivas Regal advertisement, not the Marlboro Lights advertisement, the gender embedding yielded significantly higher evaluations than the advertisement without the gender embedding (study 1). Furthermore, respondents who saw the Chivas Regal advertisement with the gender embedding evaluated the advertisement higher on affective items compared to those respondents who saw the version without the gender embedding. The advertisement with the gender embedding provided a greater willingness to try the product in the Chivas Regal advertisement. Subjects who saw the Chivas Regal

version of the advertisement without the gender embedding were not as willing to try the product as those who did see the advertisement with the gender embedding. However, greater willingness to try the product with gender embedding did not hold true for the Marlboro Lights advertisement (study 2).

Okechuku and Wang (1988) investigated the effectiveness of Chinese print advertisements in North America and hypothesised that North American advertisements will arouse more positive conative responses from the North American consumer than will Chinese advertisements. They proposed, in other words, that the origin of an advertisement will affect respondents' behavioural intention with respect to the product advertised. Results showed that in situations of high involvement the cognitive and affective sub-components precede the conative component and in situations of low involvement the conative component precedes the cognitive - and affective sub-components.

In summary, the Okechuku and Wang (1988) finding means that North American advertisements will arouse more positive behavioural intentions in the North American consumer than Chinese advertisements. Attitude-relevant knowledge also played a role in attitude-behaviour consistency and it was shown in three experiments that under high deliberation conditions, people will consider the behavioural relevance and dimensional complexity of knowledge underlying their attitudes before deciding to act on them (Fabrigar, Petty, Smith, & Crites, 2006). This finding supports an attitude inference perspective.

In an interesting study Perrien, Dussart and Paul (1985) sampled advertisers, not consumers, to investigate how they responded, cognitively, affectively and conatively to the factual content of advertising messages. The results indicated that cognitive, affective and conative responses were equally dependent upon the factual content of advertisements, and that advertisers reacted positively to the factual content of advertisements as indicated by their willingness to try, seek out or buy the product. Finally, purchase intention after exposure to male versus female employee spokespersons and the use of service managers versus workers for sex-type services in the advertising of services were investigated. Stafford (1998) found that female managers seemed to have a positive influence on conative -and cognitive attitudes toward the advertisement and preference (in terms of cognitive - and conative attitudes toward the advertisement)

seemed to be simply for a female manager rather than female and male workers or managers.

Purchase intention (conative or behavioural component of brand attitudes) is the result of affect and cognition (Agarwal & Malhotra, 2005) . Positive attitude leads to favourable behaviour (more regular purchases) while negative attitude fosters unfavourable behavioural outcomes (Chattopadhyay & Bassu, 1990; Koll & Von Wallpach, 2009; Winchester, et al., 2008). Negative or less positive attitude not only inhibits purchase intention, but also consumer behaviour in general. What consumers do is moderated by how positively the attitude is held and how strong the attitude is in respect of accessibility and stability. If attitude valence and strength are sufficiently weakened or strengthened, it will influence what consumers do.

The six preliminary research questions formulated in Chapter 3 are now extended to purchase intention as sub-component of brand attitudes and customer-based brand equity:

- Research question one: Do tarnishing and blurring have an effect on purchase intention as component of customer-based brand equity when all trademarks/brands are considered together?
- Research question two: Does tarnishing have an effect on purchase intention as component of customer-based brand equity when trademarks/brands are considered individually?
- Research question three: Does blurring have an effect on purchase intention as component of customer-based brand equity when trademarks/brands are considered individually?
- Research question four: Is the effect of tarnishing and blurring on purchase intention as component of customer-based brand equity different or similar when trademarks/brands are considered individually?
- Research question five: Is the effect of tarnishing on purchase intention as component of customer-based brand equity different or similar when trademarks/brands are compared?
- Research question six: Is the effect of blurring on purchase intention as component of customer-based brand equity different or similar when trademarks/brands are compared?

Purchase intention or how consumers behave, is the third component (feelings and thoughts are the other two sub-components) of the construct brand attitudes. Behaviour is determined by the valence with which attitudes are held and how stable and accessible the attitudes are. Brand familiarity, a lower level value-creator, precedes brand attitudes and may possibly also be influenced by a blurring or tarnishing trademark/brand. Brand loyalty, a higher level value-creator, succeeds brand attitudes and may possibly also be influenced by a blurring or tarnishing trademark. Investigating the effect of tarnishing and blurring on a brand attitude precursor (brand familiarity) and successor (brand loyalty) may also provide some insight into the extent of the influence of blurring and tarnishing trademarks/brands.

5.6 PRECURSOR AND SUCCESSOR TO BRAND ATTITUDES

5.6.1 Brand familiarity as precursor to brand attitude

Brand familiarity refers to brand identity and brand meaning (Keller, 2002). Brand identity is the result of brand salience. Brand meaning is the result of brand imagery and brand performance. Brand salience is the ability of customers to recall and recognise the brand and link the brand to certain associations in memory. Brand performance relates to how the product/service attempts to meet the functional needs of customers while brand imagery refers to how the product/service attempts to meet the psychological needs of customers. If a trademark/brand is diluted, it could have an effect on brand familiarity. The trademark/brand that becomes less distinct as a result of blurring or less positive as a result of tarnishing may reflect the result of dilution as a reduction in brand familiarity. If brand familiarity is reduced, customers may not recall and recognise the brand with the same proficiency or make the same associations. Brand familiarity is also reduced if customers do not believe that the brand can perform the same functions/provide the same functional benefits or/and provide the same psychological benefits in terms of emotional and self-expressive benefits. Consumers may believe that, as a result of trademark/brand dilution, the brand cannot do the same ‘thing’ anymore; cannot make the consumer feel in a certain way anymore; and cannot communicate something about the consumer to society anymore (Aaker, 1996; Keller, 2002, 2003b).

The six preliminary research questions formulated in Chapter 3 are now extended to brand familiarity as component of customer-based brand equity and precursor to brand attitude:

- Research question one: Do tarnishing and blurring have an effect on brand familiarity as component of customer-based brand equity and precursor to brand attitude when all trademarks/brands are considered together?
- Research question two: Does tarnishing have an effect on brand familiarity as component of customer-based brand equity and precursor to brand attitude when trademarks/brands are considered individually?
- Research question three: Does blurring have an effect on brand familiarity as component of customer-based brand equity and precursor to brand attitude when trademarks/brands are considered individually?
- Research question four: Is the effect of tarnishing and blurring on brand familiarity as component of customer-based brand equity and precursor to brand attitude different or similar when trademarks/brands are considered individually?
- Research question five: Is the effect of tarnishing on brand familiarity as component of customer-based brand equity and precursor to brand attitude different or similar when trademarks/brands are compared?
- Research question six: Is the effect of blurring on brand familiarity as component of customer-based brand equity and precursor to brand attitude different or similar when trademarks/brands are compared?

Brand loyalty as successor to brand attitude is the last component of customer-based brand equity that is discussed.

5.6.2 Brand loyalty as successor to brand attitude

Brand loyalty (Aaker, 1991) is the result of, and driven by, how familiar consumers are with the brand and what they think and feel (brand attitude) about the brand (Keller & Lehmann, 2003; Wood, 1996). Brand loyalty can refer to behavioural loyalty (repeat purchases attributable to the brand in a particular category) and attitudinal loyalty (personal attachment to the brand) (Keller & Lehmann, 2003). Should trademark/brand dilution make the brand less distinct or positive, and as a result consumers think and feel less positive about the brand, brand loyalty will be affected. This implies that repeat purchases of the brand may be affected and that consumers will become less personally attached to the brand. The brand may in effect not have the same resonance with the customer anymore as a result of dilution and the relationship customers have with the brand will be affected.

The six preliminary research questions formulated in Chapter 3 are now extended to brand loyalty as component of customer-based brand equity and successor to brand attitude:

- Research question one: Do tarnishing and blurring have an effect on brand loyalty as component of customer-based brand equity and successor to brand attitude when all trademarks/brands are considered together?
- Research question two: Does tarnishing have an effect on brand loyalty as component of customer-based brand equity and successor to brand attitude when trademarks/brands are considered individually?
- Research question three: Does blurring have an effect on brand loyalty as component of customer-based brand equity and successor to brand attitude when trademarks/brands are considered individually?
- Research question four: Is the effect of tarnishing and blurring on brand loyalty as component of customer-based brand equity and successor to brand attitude different or similar when trademarks/brands are considered individually?
- Research question five: Is the effect of tarnishing on brand loyalty as component of customer-based brand equity and successor to brand attitude different or similar when trademarks/brands are compared?
- Research question six: Is the effect of blurring on brand loyalty as component of customer-based brand equity and successor to brand attitude different or similar when trademarks/brands are compared?

The chapter discussed components (brand familiarity, brand attitude, brand loyalty) of customer-based brand equity and sub-components of brand attitude (affect; cognition; attitude valence and stability; attitude accessibility) as entities that could be influenced by trademark tarnishing and blurring. The chapter also addressed specific consequences of attitude (5.4.3) within a consumer decision-making context. Within a consumer decision-making context the Rossiter-Percy Grid (Rossiter, et al., 1991) illustrated how consumers dimensionalise products and services according to their level of involvement (high/low) and level of motivation (informational/transformational). Because the Rossiter-Percy Grid (Rossiter, et al., 1991) is a model of attitude that represents how consumers evaluate brands, the model was also applied to the investigation of the influence of trademark/brand dilution on customer-based brand equity. As such, the six research questions that drive the hypotheses formulation (Chapter 6) are as follows:

- Research question one: Do tarnishing and blurring have an effect on affect/cognition/attitude valence and stability/attitude accessibility/purchase intention/brand familiarity/brand loyalty as components of customer-based brand equity for combined high/low involvement and informational/transformational motivated trademarks/brands?
- Research question two: Does tarnishing have an effect on affect/cognition/attitude valence and stability/attitude accessibility/purchase intention/brand familiarity/brand loyalty as components of customer-based brand equity for high involvement/informationally motivated; high involvement/transformationally motivated; low involvement/informationally motivated; and low involvement/transformationally motivated trademarks/brands?
- Research question three: Does blurring have an effect on affect/cognition/attitude valence and stability/attitude accessibility/purchase intention/brand familiarity/brand loyalty as components of customer-based brand equity for high involvement/informationally motivated; high involvement/transformationally motivated; low involvement/informationally motivated; and low involvement/transformationally motivated trademarks/brands?
- Research question four: Is the effect of tarnishing and blurring on affect/cognition/attitude valence and stability/attitude accessibility/purchase intention/brand familiarity/brand loyalty as components of customer-based brand equity for high involvement/informationally motivated; high involvement/transformationally motivated; low involvement/informationally motivated; and low involvement/transformationally motivated trademarks/brands different or similar, but varying in intensity?
- Research question five: Is the effect of tarnishing on affect/cognition/attitude valence and stability/attitude accessibility/purchase intention/brand familiarity/brand loyalty as components of customer-based brand equity for high involvement/informationally motivated; high involvement/transformationally motivated; low involvement/informationally motivated; and low involvement/transformationally motivated trademarks/brands different or similar, but varying in intensity when they are compared?
- Research question six: Is the effect of blurring on affect/cognition/attitude valence and stability/attitude accessibility/purchase intention/brand familiarity/brand loyalty as components of customer-based brand equity for high involvement/informationally

motivated; high involvement/transformationally motivated; low involvement/informationally motivated; and low involvement/transformationally motivated trademarks/brands different or similar, but varying in intensity when they are compared?

The current and previous chapters are summarised below before the study commences with the research methodology.

5.7 SUMMARY

A brand is a device that adds value to a product and service over and above what the product or service actually does. A trademark is a legal device used to protect the added value represented by a brand. Brands and trademarks perform similar functions of which the most important is to create goodwill and selling power. Trademark legislation, in the Republic of South Africa as well as abroad, protects a brand against a specific form of infringement called dilution. Dilution refers to use by a junior mark of the senior mark that results in the character of the senior mark becoming less distinctive (blurring) and/or the reputation of the senior mark becoming less positive (tarnishing). Several cases were heard by courts in the Republic of South Africa regarding trademark/brand dilution but senior users were not always successful in relying on dilution legislation to protect their trademarks/brands. The Constitutional Court finally heard the *Sabmark* case and indicated that unless a probability of substantial economic harm is shown, a senior mark will not be able to rely on anti-dilution protection to defend its trademark/brand against dilution. The court also did not indicate the nature of evidence that would suffice in showing substantial economic harm.

The goodwill and selling power that is the most important function of a trademark, is conceptualised in this study as brand equity. Brand equity can be conceptualised from three different perspectives but the psychological-based approach is the most popular in research literature. The psychological-based approach in conceptualising brand equity is based on associative network memory models that originate from cognitive psychology. Two popular models of brand equity conceptualisation based on the psychological approach have emerged. Aaker (1991) approaches brand equity from a managerial and corporate strategy perspective underpinned by consumer behaviour. Keller (1993) approaches brand equity from a consumer behaviour perspective and defines brand equity as the differential effect a brand has on consumer response. In terms of both

conceptualisations of brand equity the higher level value-creator 'brand attitude', the manner in which consumers judge the brand and feel about the brand, is recognised as the central construct in conducting brand equity research. Brand equity can be measured indirectly through consumer mindset and directly through market performance and shareholder value. If brand equity is strong, the brand is valuable in monetary terms as estimated to be representing goodwill and selling power.

The nature of trademark dilution is that it makes the character of the trademark/brand less distinct or the reputation less positive. Empirical evidence has been used to illustrate dilution as well as quantify the extent thereof. Comparative and benchmark surveys as well as experiments and case studies have been used with mixed success in the United States of America. In court cases it was indicated that a 12% change in measurement should suffice to illustrate dilution. However, there is no set quantum of harm as each case should be considered on its own merits.

Economic harm was conceptualised as:

- the undesired change in trademark/brand attitude as represented by consumers feeling less positive about the trademark/brand and judging the trademark/brand differently from what they would have had they never been exposed to blurring or tarnishing;
- the lessening of attitudinal strength of the trademark/brand as represented by the trademark/brand becoming less positive, accessible and stable in memory as a result of exposure to blurring or tarnishing;
- the trademark/brand not being considered or becoming less likely to be considered as a potential purchase, as a result of blurring or tarnishing;
- the familiarity with the trademark/brand decreasing as a result of exposure to blurring or tarnishing; and
- the loyalty to the trademark/brand decreasing as a result of exposure to blurring and tarnishing.

Brand attitude is the construct used to operationalise 'economic harm'. In terms of consumer literature appropriate to this study brand attitude has three components, cognition (what consumers think), affect (what consumers feel) and conation (what consumers do). Attitudes are held in respect of an object, in this instance a

trademark/brand. The formation of attitudes is explained by dual process models. Attitude change is motivated by persuasion variables similar to the brand value proposition. Consumers change their attitudes based on compliance, identification and internalisation. In other words, to provide a functional, self-expressive or emotional benefit. Attitudes perform several functions that included obtaining rewards or avoiding punishments, communicate self-concept, avoiding external threats and limiting internal feelings of insecurity and obtaining order, structure and meaning.

Affect consists of consumer feelings and emotions and primarily determines how the attitude object, the trademark/brand, is evaluated. Affect is also referred to as transformational motivation. Cognition consists of consumer thoughts and beliefs and is referred to as informational motivation. Two models, the Heuristic Systematic Model and the Elaboration Likelihood Model explain cognitive influences on attitude change. Cognitive dissonance theory explains attitude change as consumers acting differently because they think differently. Affect and cognition are separate constructs but they are inextricable linked. This implies that one of the two constructs cannot be researched in isolation. Attitude influences consumer decision-making, how the product or service is positioned and consumer memory.

If affect is positive it influences decision-making because it changes cognitive processes through elaboration and thinking effects. Brand attitude can be divided into four quadrants that represent four types of consumer decision-making processes. In terms of the Rossiter-Percy Grid (Rossiter, et al., 1991) consumers make decisions based on their level of involvement and the nature of their motivation. The nature of motivation refers to the product or service being either informational when motivation is negative (thinking product or service) or transformational when motivation is positive (feeling product or service). The level of involvement refers to the type of decision the consumer makes and can be either low involvement where trial experience suffices to make a decision or high involvement where search and conviction is required prior to purchase. Products can also be position-based on attitude being hedonic (feeling based) or utilitarian (thinking based). Furthermore, positive affect influences how information, feelings and experiences are encoded in memory and positive affect influences brand choice.

The conative component of brand attitude, consumer behaviour, is measured using purchase intention. The Theory or Reasoned Action and Planned Behaviour and the

Motivation and Opportunity as Determinants of Behaviour Model describe how attitudes influence behaviour. Attitude strength, consisting of attitude accessibility and stability, stability in turn described by importance and certainty, is the strongest predictor of consumer behaviour. Attitude strength is furthermore independent from other properties of attitudes. Attitude stability refers to the interest in or concern about a particular attitude. Attitude confidence or certainty refers to the brand user's degree of certainty that his/her evaluative judgement of the brand is correct. Attitude accessibility indicates the strength of the association between the evaluated object, in this instance the brand and the associated memory. Attitude accessibility influence levels of processing and is the most critical dimension moderating the attitude behaviour relationship.

This study conceptualises economic value as a favourable (valence) and strong brand attitude that leads to brand preference and purchase intention. The following chapter sets out the methodology for testing the research hypotheses.

CHAPTER 6
EMPIRICAL RESEARCH METHODOLOGY

6.1 INTRODUCTION

In Chapter 2, the study explained the conceptually similar constructs 'brand' and 'trademark' and the value-adding and generating functions they perform for their owners. Trademarks are protected against dilution (tarnishing and/or blurring) by legislation that is universally consistent. However, the nature and quantum of evidence that illustrate a probability of dilution or the result of dilution as a probability of substantial economic harm remain unclear. Chapter 3 explored 'brand equity' as a construct that can be used to conceptualise trademark value in order to understand and evidence dilution to a court's satisfaction. In Chapter 4, the research strategies used to measure trademark dilution, were discussed and their limitations identified. Chapter 5 suggested a construct and methodology that can contribute in proving trademark dilution. The construct consists of three components of customer-based brand equity: brand attitude, brand familiarity and brand loyalty. Brand attitude consists of five sub-components, namely affect, cognition, attitude valence and stability, attitude accessibility, purchase intention. Brand familiarity precedes brand attitudes while brand loyalty succeeds brand attitudes. Six research questions were formulated in the context of the customer-based brand equity construct and the type of decisions and motivations that drive consumer attitudes.

Chapter 6 commences with a justification for the research paradigm and method. Six research questions and research hypotheses with sub-hypotheses are subsequently formulated. The research strategy, a multi-level factorial experiment that uses an online survey tool to collect data, is explained in detail. In the light of the formulated hypotheses and experimental nature of the research strategy, the treatment of the 12 independent variables (trademarks/brands) is discussed, motivated and illustrated. The scales of the seven dependent variables (affect, cognition, valence and stability, attitude accessibility; purchase intention, brand familiarity, brand loyalty) are discussed and motivated as well as their reliability demonstrated. The sampling method, convenient sampling, is explained and justified and the data collection method, through questionnaires, further elucidated. The ethical clearance of the study is summarised and the pilot study explained. The chapter concludes with an analysis of the experimental validity of the study.

6.2 JUSTIFICATION FOR THE RESEARCH PARADIGM AND METHOD

Consumers understand and respond to trademark/brand dilution in unique and diverse ways. This study investigated how the meanings of diluted trademarks/brands influenced consumer's thoughts, feelings and actions. The research philosophy on which this study is based reflects the principles of interpretivism. Interpretivism attempts to understand the subjective reality of its research subjects in order to be able to make sense of as well as understand the research subjects' motives, actions and intentions (Saunders, Lewis, & Thornhill, 2003).

Six hypotheses were formulated with 24 sub-hypotheses. Each of the six hypotheses and 24 sub-hypotheses were analysed in turn in respect of the seven dependent variables (affect; cognition; strength; purchase intention; accessibility; brand familiarity; brand loyalty) to determine the effect of trademark/brand dilution on customer-based brand equity. The hypotheses were operationalised using a factorial experiment with three levels: type of dilution (undiluted/tarnished/blurred); type of decision (high /low involvement); and type of motivation (informational/transformational). Data was collected by means of questionnaires using an online survey tool called Qualtrics. The result of the hypotheses testing may influence the interpretation of both marketing and law theory. The research approach used can be described as deductive because it is based on scientific principles, moves from theory to data, explain causal relationships between variables, involve the collection of quantitative data, applies controls to ensure data validity, operationalises concepts to ensure clarity of definition, is a highly structured process with an independent researcher using sufficient sample sizes to collect data (Saunders, et al., 2003).

The research questions posited in Chapter 5 and hypotheses set out below were answered using a hybrid research strategy that is based on experimental method with a survey instrument design similar to Westberg's (2004) study who also studied brand attitude. An experimental method was used to design the framework of the study. The experiment can be described as a 3 x 2 x 2 factorial experiment (Aaker, Kumar, & Day, 2001) consisting of four independent variables (trademarks/brands) with three factors and different treatment levels. The three factors and treatment levels are type of decision (high/low involvement); type of motivation (informational/transformational); and type of dilution (undiluted/tarnished/blurred).

Samples of individuals were selected from known populations and allocated to one of 12 different experimental conditions:

1. undiluted/high involvement/informational;
2. tarnished/high involvement/informational;
3. blurred/high involvement/informational;
4. undiluted/high involvement/transformational;
5. tarnished/high involvement/transformational;
6. blurred/high involvement/transformational;
7. undiluted/low involvement/informational;
8. tarnished/low involvement/informational;
9. blurred/low involvement/informational;
10. undiluted/low involvement/transformational;
11. tarnished/low involvement/transformational; and
12. blurred/low involvement/transformational).

The independent variables (trademarks/brands) were treated according to type of dilution; type of decision; and type of motivation. The dependent variables (brand attitude consisting of affect, cognition, valence and stability, attitude accessibility, purchase intention, brand familiarity and brand loyalty) were kept to a relative minimum.

The experiment was not conducted in a laboratory and data was gathered using an online survey tool called Qualtrics. Respondents were invited to participate in the survey via email. Questionnaires were self-administered and accessed and completed electronically, enabling participants to complete their questionnaires at a time and place of their choice. Individuals who chose to participate in the survey were randomly assigned by the software program to one of the 12 potential experimental groups. Surveys as research instruments collect a large amount of data from a sizeable population in a highly economical way (Saunders, et al., 2003). Data in this study was collected using the online survey tool called Qualtrics which made it possible to also standardise the data, enabling data comparison. In this study, 3 441 individuals were approached using the same standardised questionnaire. Respondents received one of 12 different trademark/brand treatment images with the same standardised questionnaire, enabling the comparison of data between groups.

Research can be classified according to its strategy (for example experimental) as well as according to its purpose (Churchill & Iacobucci, 2005). The purpose of research can be to explore, describe or explain phenomena. The current study emerged from an exploratory literature study. In essence it is an explanatory or causal study (Tustin, Ligthelm, Martins, & Van Wyk, 2005) because it investigated the effect of an independent variable (undiluted/tarnished/blurred trademark/brand) on a dependent variable (customer-based brand equity) in order to describe the nature and extent of economic harm. The data generated from the questionnaires were analysed and interpreted to enable the researcher to answer set research questions and test hypotheses. The research questions and hypotheses are set out below. The study can therefore also be seen as descriptive in nature, albeit as a result of being explanatory. The study was cross-sectional as it provided a snapshot (Saunders, et al., 2003) of customer-based brand equity as a result of dilution, using a survey instrument based on an experimental research design, of primarily consumer attitudes (customer-based brand equity) at a particular time, as opposed to for example tracking customer-based brand equity across an extended time period.

6.3 RESEARCH QUESTIONS AND HYPOTHESES

The research objectives related to Hypotheses 1 to 4 address the question, primarily of concern to the legal fraternity, of whether trademark tarnishing and – blurring have an effect on customer-based brand equity and if the relative effects are similar or not. Research question one was answered by analysing four trademarks/brands together, while research questions two to four was answered by analysing four trademarks/brands separately. In answering research questions one to four, the issue as to whether tarnishing and blurring are or should be separate legal constructs or not, can be addressed. If the nature of the damage caused by trademark tarnishing and – blurring to the legal entity (the trademark) are similar, it may be posited that damage to reputation (tarnishing) and character (blurring) are not separate - but similar constructs. This proposal has profound application on evidentiary – and procedural matters before and during the litigation process.

The research objectives of Hypotheses 5 and 6 are primarily of concern to the marketing fraternity. Research question five asked if the effect of trademark/brand tarnishing on customer-based brand equity was different or similar, but varying in intensity, according to how consumers evaluate brands (type of decision: high/low involvement and type of motivation: informational/transformational) in the decision-making process. If it can be

established that trademark/brand tarnishing had different or similar effects, but varying in intensity, based on specific decision-making processes driven by attitudes, marketers can plan to respond or not and if they plan to respond carefully consider the manner of response. Elucidation in this regard will be of particular importance to brand portfolio managers. A brand portfolio manager who manages brands that fall into some or all of the four Rossiter-Percy Grid (Rossiter, et al., 1991) categories will know which brands' brand equity is threatened. Research question six is identical to research question five but investigated the effect of trademark/brand blurring. Research question five and six were answered by analysing four trademarks/brands separately.

As mentioned above, this study was designed as a 3 x 2 x 2 multi-level factorial experiment to investigate the relationship between trademark/brand dilution and equity, operationalised as consisting primarily of a multi-dimensional brand attitude construct, preceded by brand familiarity and succeeded by brand loyalty. To answer the research questions and address the hypotheses that follow directly below, experimental concepts are summarised as follows (Tustin, Ligthelm, Martins & Van Wyk, 2005):

- Independent variable: Momentum/City Lodge/First National Bank/Nando's trademark/brand name, term, sign, symbol, design.
- Treatments: type of dilution (Undiluted/Tarnished/Blurred); type of decision (High /Low involvement); type of motivation (Informational/Transformational).
- Dependent variable: Momentum/City Lodge/First National Bank/Nando's customer-based brand equity consisting of brand familiarity, brand attitude (affect, cognition, attitude valence and stability, attitude accessibility, purchase intention), and brand loyalty.
- Test units: users and potential users in trademark/brand target market.

Research question 1

The first research question addressed in this study was:

Do tarnishing and blurring respectively have an effect on the individual components of customer-based brand equity of all trademarks/brands combined and do tarnishing and blurring have the same effect on the individual components of customer-based brand equity components of all trademarks/brands combined?

Hypothesis 1 is depicted diagrammatically in Figure 6.1 below.

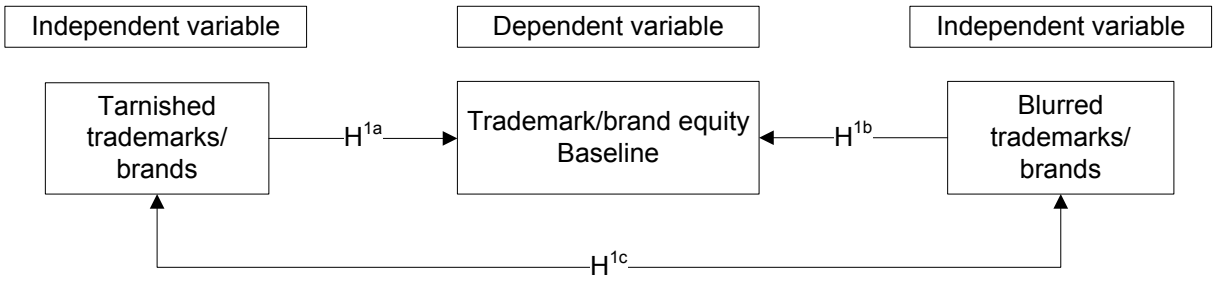

Figure 6.1: Hypothesis 1

To address research question one the following three sub-hypotheses below were formulated. In all instances customer-based brand equity (the economic value inherent to trademarks/brands) refers to (a) consumers' affective brand attitudes; (b) consumers' cognitive brand attitudes; (c) the valence and stability of consumers' brand attitudes; (d) the accessibility of consumers' brand attitudes; (e) consumers' brand purchase intentions; (f) consumers' brand familiarity; and (g) consumers' brand loyalty.

Hypothesis 1

H_0^{1a}: Tarnishing does not have an effect on the customer-based brand equity of all trademarks/brands combined.

H_a^{1a}: Tarnishing has an effect on the customer-based brand equity of all trademarks/brands combined.

H_0^{1b}: Blurring does not have an effect on the customer-based brand equity of all trademarks/brands combined.

H_a^{1b}: Blurring has an effect on the customer-based brand equity of all trademarks/brands combined.

H_0^{1c}: Tarnishing and blurring have the same effect on the customer-based brand equity of all trademarks/brands combined.

H_a^{1c}: Tarnishing and blurring do not have the same effect on the customer-based brand equity of all trademarks/brands combined.

Research questions 2 to 6 refers to trademarks/brands that are high/low involvement and informationally/transformationally motivated. The classification of trademarks/brands as

high involvement/informationally motivated; high involvement/transformationally motivated; low involvement/informationally motivated and low involvement/transformationally motivated was discussed in Chapter 5 and is again discussed in section 6.5.1.1.

Research question 2

The second research question addressed in this study was:

Does tarnishing have an effect on the individual components of customer-based brand equity, of high involvement/informationally motivated; high involvement/transformationally motivated; low involvement/informationally motivated and low involvement/transformationally motivated trademarks/brands?

The research question and hypotheses are depicted diagrammatically in Figure 6.2 below.

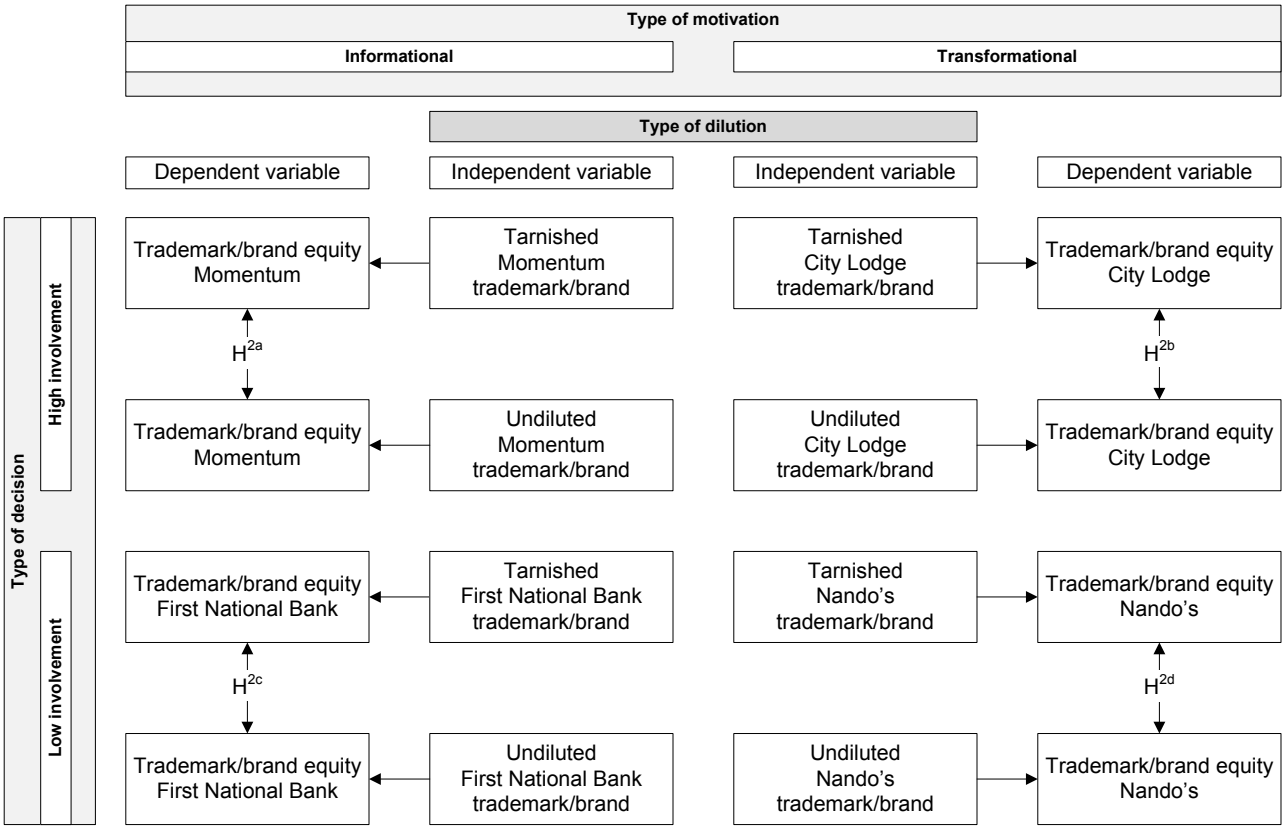

Figure 6.2: Hypothesis 2

To address Research question 2 the four hypotheses below were formulated. In all instances customer-based brand equity (the economic value inherent to trademarks/brands) refers to (a) consumers' affective trademark/brand attitudes; (b) consumers' cognitive trademark/brand attitudes; (c) the stability or strength of consumers'

trademark/brand attitudes; (d) the accessibility of consumers' trademark/brand attitudes; (e) consumers' trademark/brand purchase intentions; (f) consumers' trademark/brand familiarity; and (g) consumers' trademark/brand loyalty for high/low involvement and informationally/transformationally motivated trademarks/brands.

Hypothesis 2

H_0^{2a}: Tarnishing does not have an effect on the customer-based brand equity of a high involvement, informationally motivated trademark/brand.
H_a^{2a}: Tarnishing has an effect on the customer-based brand equity of a high involvement, informationally motivated trademark/brand.

H_0^{2b}: Tarnishing does not have an effect on the customer-based brand equity of a high involvement, transformationally motivated trademark/brand.
H_a^{2b}: Tarnishing has an effect on the customer-based brand equity of a high involvement, transformationally motivated trademark/brand.

H_0^{2c}: Tarnishing does not have an effect on the customer-based brand equity of a low involvement, informationally motivated trademark/brand.
H_a^{2c}: Tarnishing has an effect on the customer-based brand equity of a low involvement, informationally motivated trademark/brand.

H_0^{2d}: Tarnishing does not have an effect on the customer-based brand equity of a low involvement, transformationally motivated trademark/brand.
H_a^{2d}: Tarnishing has an effect on the customer-based brand equity of a low involvement, transformationally motivated trademark/brand.

Research question 3

The third research question addressed in this study was:
Does blurring have an effect on the individual components of customer-based brand equity, of high involvement/informationally motivated; high involvement/transformationally motivated; low involvement/informationally motivated and low involvement/transformationally motivated trademarks/brands?

The research question and hypotheses are depicted diagrammatically in Figure 6.3 below.

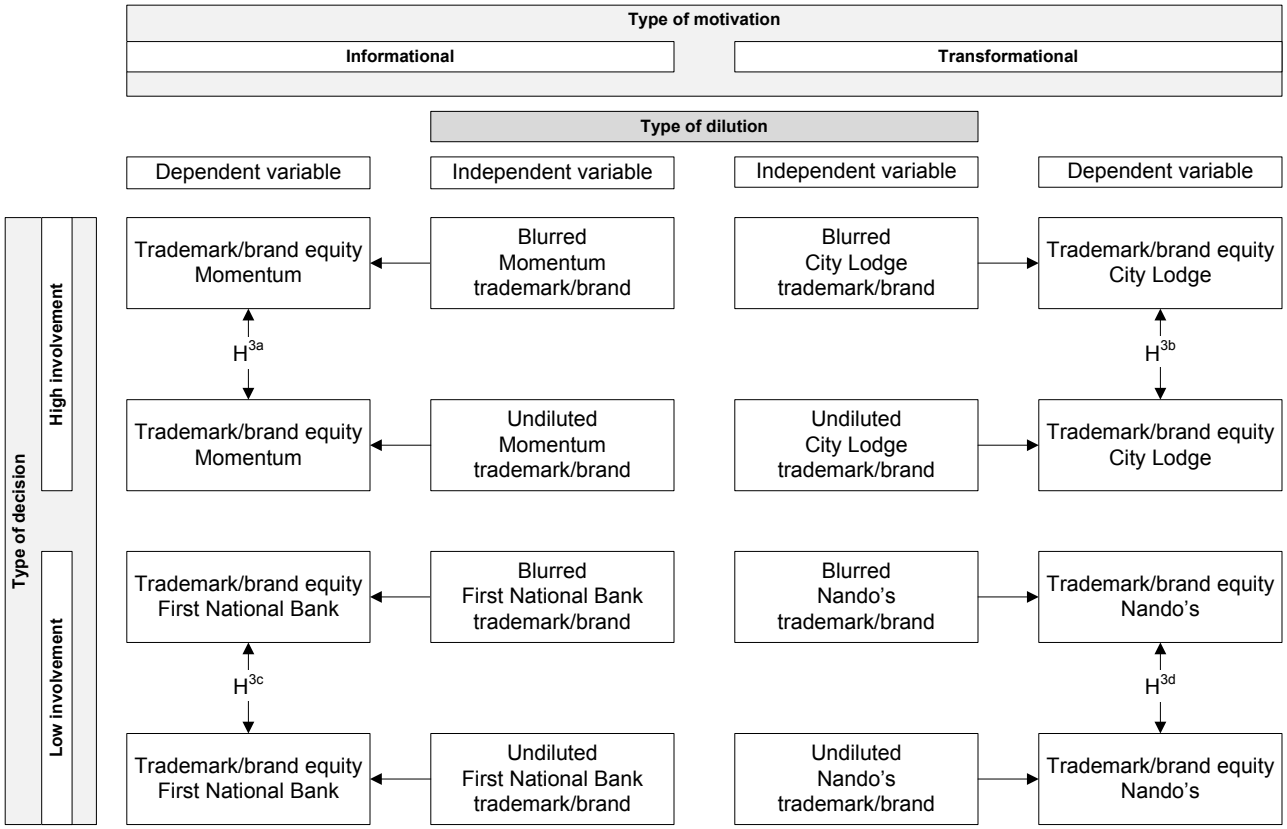

Figure 6.3: Hypothesis 3

To address Research question 3 the four hypotheses below were formulated. In all instances customer-based brand equity (the economic value inherent to trademarks/brands) refers to (a) consumers' affective trademark/brand attitudes; (b) consumers' cognitive trademark/brand attitudes; (c) the stability or strength of consumers' trademark/brand attitudes; (d) the accessibility of consumers' trademark/brand attitudes; (e) consumers' trademark/brand purchase intentions; (f) consumers' trademark/brand familiarity; and (g) consumers' trademark/brand loyalty for high/low involvement and informationally/transformationally motivated trademarks/brands.

Hypothesis 3

H_0^{3a}: Blurring does not have an effect on the customer-based brand equity of a high involvement, informationally motivated trademark/brand.

H_a^{3a}: Blurring has an effect on the customer-based brand equity of a high involvement, informationally motivated trademark/brand.

H_0^{3b}: Blurring does not have an effect on the customer-based brand equity of a high involvement, transformationally motivated trademark/brand.

H_a^{3b}: Blurring has an effect on the customer-based brand equity of a high involvement, transformationally motivated trademark/brand.

H_0^{3c}: Blurring does not have an effect on the customer-based brand equity of a low involvement, informationally motivated trademark/brand.
H_a^{3c}: Blurring has an effect on the customer-based brand equity of a low involvement, informationally motivated trademark/brand.

H_0^{3d}: Blurring does not have an effect on the customer-based brand equity of a low involvement, transformationally motivated trademark/brand.
H_a^{3d}: Blurring has an effect on the customer-based brand equity of a low involvement, transformationally motivated trademark/brand.

Research question 4

The fourth research question addressed in this study was:
Do tarnishing and blurring have the same effect on the individual components of customer-based brand equity of high involvement/informationally motivated; high involvement/transformationally motivated; low involvement/informationally motivated; and low involvement/transformationally motivated trademarks/brands?

The research question and hypotheses are depicted diagrammatically in Figure 6.4 below.

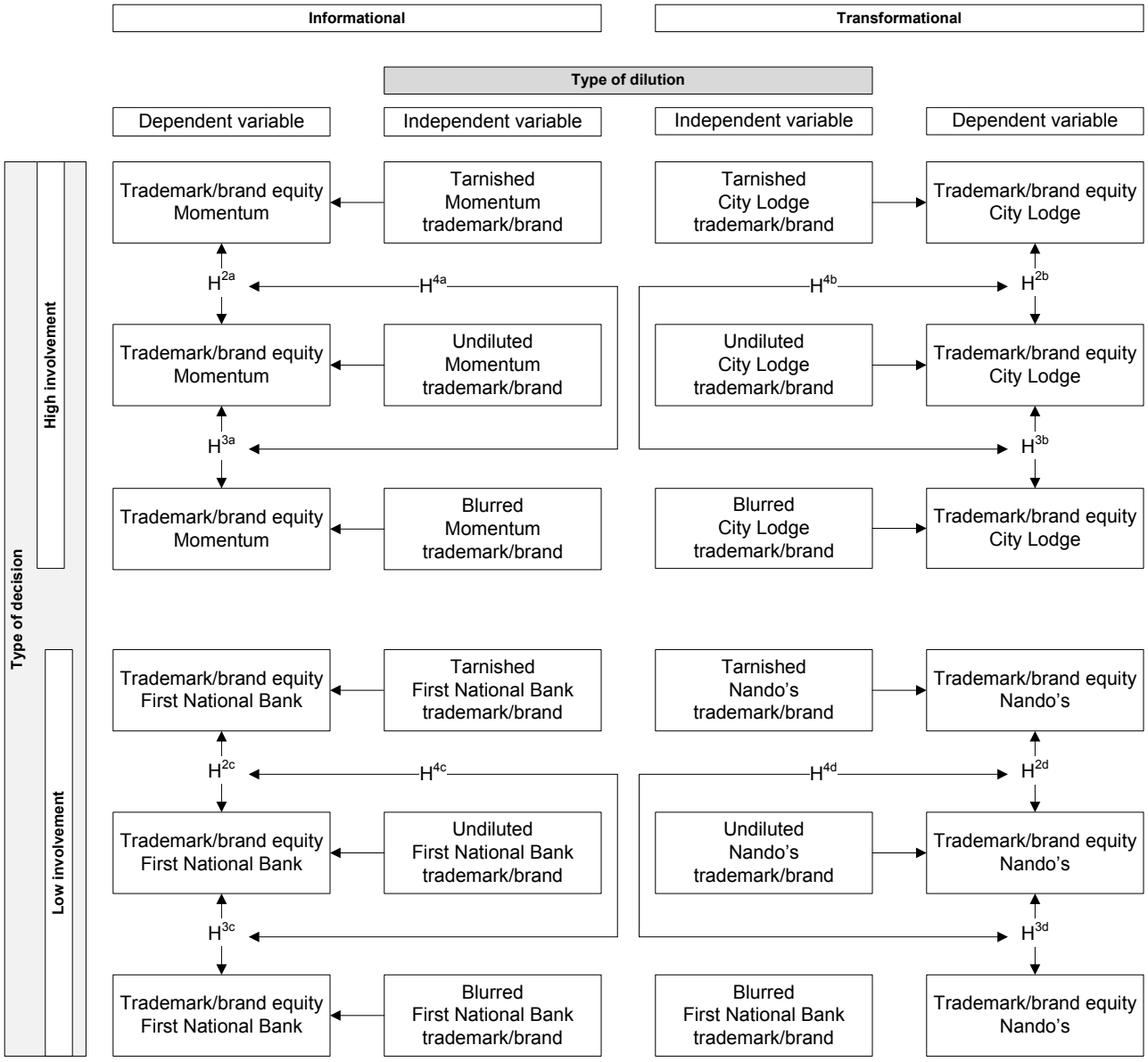

Figure 6.4: Hypothesis 4

To address Research question 4 the four hypotheses below were formulated. In all instances customer-based brand equity (the economic value inherent to trademarks/brands) refers to (a) consumers' affective trademark/brand attitudes; (b) consumers' cognitive trademark/brand attitudes; (c) the stability or strength of consumers' trademark/brand attitudes; (d) the accessibility of consumers' trademark/brand attitudes; (e) consumers' trademark/brand purchase intentions; (f) consumers' trademark/brand familiarity; and (g) consumers' trademark/brand loyalty for high/low involvement and informationally/transformationally motivated trademarks/brands.

Hypothesis 4

H_0^{4a}: Tarnishing and blurring do not have different effects on the customer-based brand equity of a high involvement, informationally motivated trademark/brand.

H_a^{4a}: Tarnishing and blurring have different effects on the customer-based brand equity of a high involvement, informationally motivated trademarks/brands.

H_0^{4b}: Tarnishing and blurring do not have different effects on the customer-based brand equity of a high involvement, transformationally motivated trademark/brand.

H_a^{4b}: Tarnishing and blurring have different effects on the customer-based brand equity of a high involvement, transformationally motivated trademark/brand.

H_0^{4c}: Tarnishing and blurring do not have different effects on the customer-based brand equity of a low involvement, informationally motivated trademark/brand.

H_a^{4c}: Tarnishing and blurring have different effects on the customer-based brand equity of a low involvement, informationally motivated trademark/brand.

H_0^{4d}: Tarnishing and blurring do not have different effects on the customer-based brand equity of a low involvement, transformationally motivated trademark/brand.

H_a^{4d}: Tarnishing and blurring do not have different effects on the customer-based brand equity of a low involvement, transformationally motivated trademark/brand.

Research question 5

The fifth research question addressed in this study was:

Does trademark/brand tarnishing cause the same type or the same extent of economic harm, as measured by its influence on customer-based brand equity, for high/low involvement and informationally/transformationally motivated trademarks/brands respectively?

The research question and hypotheses are depicted diagrammatically in Figure 6.5 below.

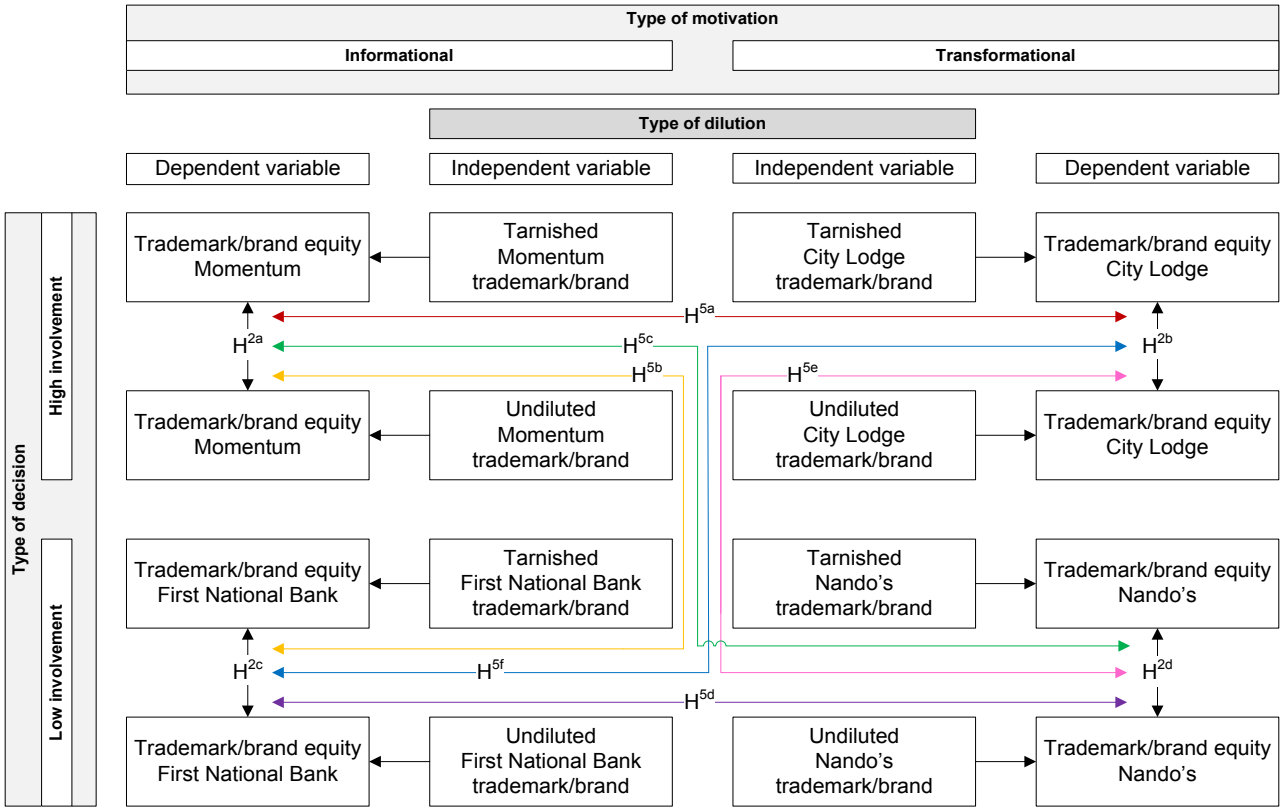

Figure 6.5: Hypothesis 5

To address research question 5 the six hypotheses below were formulated. In all instances customer-based brand equity (the economic value inherent to trademarks/brands) refers to (a) consumers' affective trademark/brand attitudes; (b) consumers' cognitive trademark/brand attitudes; (c) the stability or strength of consumers' trademark/brand attitudes; (d) the accessibility of consumers' trademark/brand attitudes; (e) consumers' trademark/brand purchase intentions; (f) consumers' trademark/brand familiarity; and (g) consumers' trademark/brand loyalty for high/low involvement and informational/transformational motivated trademarks/brands.

Hypothesis 5

H_0^{5a}: The influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, transformationally motivated trademark/brand.

H_a^{5a}: The influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, informationally motivated trademarks/brands is different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, transformationally motivated trademark/brand.

H_0^{5b}: The influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, informationally motivated trademark/brand.
H_a^{5b}: The influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, informationally motivated trademark/brand is different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, informationally motivated trademark/brand.

H_0^{5c}: The influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.
H_a^{5c}: The influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, informationally motivated trademark/brand is different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.

H_0^{5d}: The influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.
H_a^{5d}: The influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, informationally motivated trademark/brand is different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.

H_0^{5e}: The influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, transformationally motivated trademark/brand is not different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.
H_a^{5e}: The influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, transformationally motivated trademark/brand is different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.

H_0^{5f}: The influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, transformationally motivated trademark/brand.

H_a^{5f}: The influence of trademark/brand tarnishing on customer-based brand equity for a low involvement, informationally motivated trademark/brand is different compared to the influence of trademark/brand tarnishing on customer-based brand equity for a high involvement, transformationally motivated trademark/brand.

Research question 6

The sixth research question addressed in this study was:

Does trademark/brand blurring cause the same type or the same extent of economic harm, as measured by its influence on customer-based brand equity, for high/low involvement and informationally/transformationally motivated trademarks/brands respectively?

The research question and hypotheses are depicted diagrammatically in Figure 6.6 below.

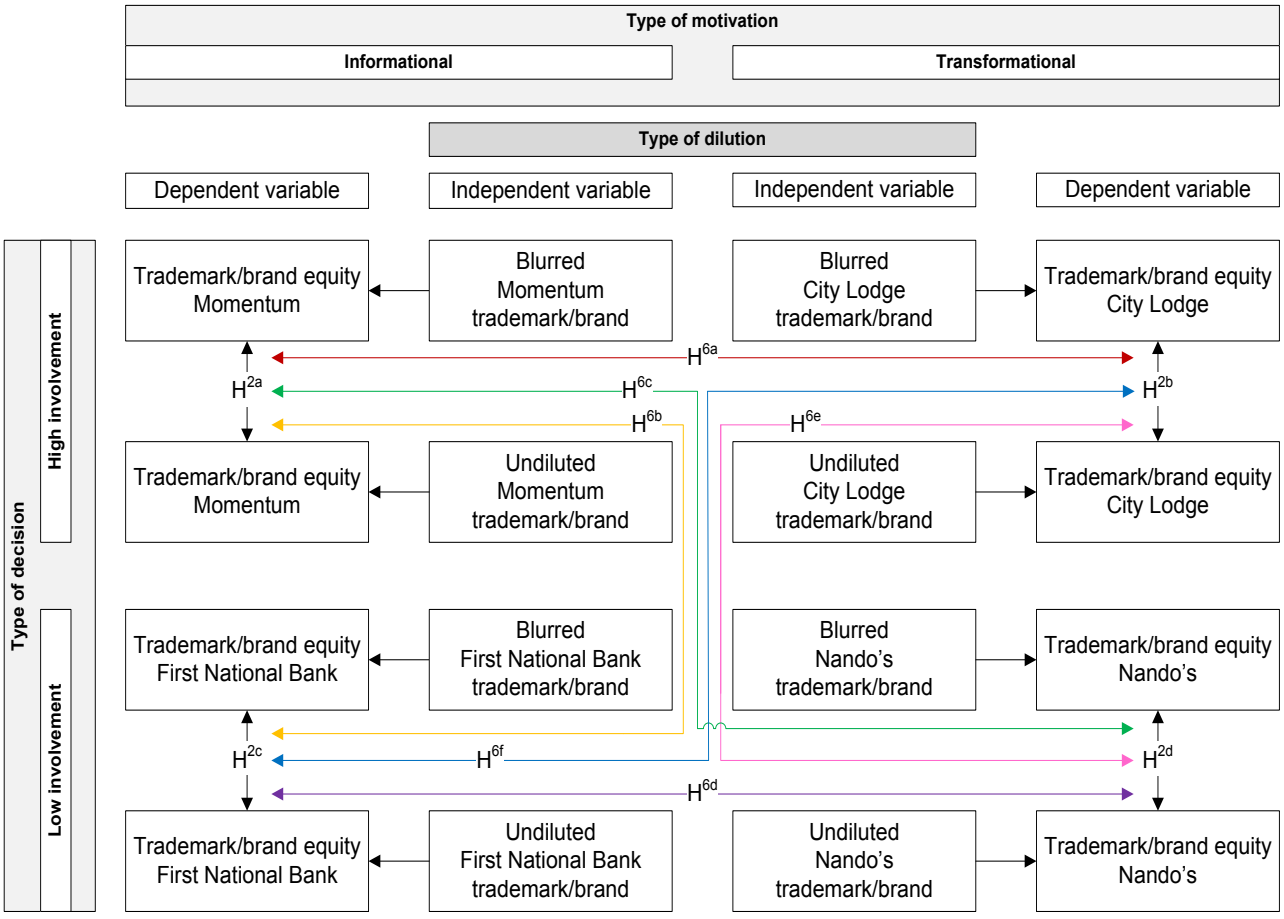

Figure 6.6: Hypothesis 6

To address research question 6 the six hypotheses below were formulated. In all instances customer-based brand equity (the economic value inherent to trademarks/brands) refers to (a) consumers' affective trademark/brand attitudes; (b) consumers' cognitive trademark/brand attitudes; (c) the stability or strength of consumers' trademark/brand attitudes; (d) the accessibility of consumers' trademark/brand attitudes; (e) consumers' trademark/brand purchase intentions; (f) consumers' trademark/brand familiarity; and (g) consumers' trademark/brand loyalty for high/low involvement and informationally/transformationally motivated trademarks/brands.

Hypothesis 6

H_0^{6a}: The influence of trademark/brand blurring on customer-based brand equity for a high involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand blurring on customer-based brand equity for a high involvement, transformationally motivated trademark/brand.

H_a^{6a}: The influence of trademark/brand blurring on customer-based brand equity for a high involvement, informationally motivated trademarks/brands is different compared to the influence of trademark/brand blurring on customer-based brand equity for a high involvement, transformationally motivated trademark/brand.

H_0^{6b}: The influence of trademark/brand blurring on customer-based brand equity for a high involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand blurring on customer-based brand equity for a low involvement, informationally motivated trademark/brand.

H_a^{6b}: The influence of trademark/brand blurring on customer-based brand equity for a high involvement, informationally motivated trademark/brand is different compared to the influence of trademark/brand blurring on customer-based brand equity for a low involvement, informationally motivated trademark/brand.

H_0^{6c}: The influence of trademark/brand blurring on customer-based brand equity for a high involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand blurring on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.

H_a^{6c}: The influence of trademark/brand blurring on customer-based brand equity for a high involvement, informationally motivated trademark/brand is different compared to the

influence of trademark/brand blurring on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.

H_0^{6d}: The influence of trademark/brand blurring on customer-based brand equity for a low involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand blurring on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.
H_a^{6d}: The influence of trademark/brand blurring on customer-based brand equity for a low involvement, informationally motivated trademark/brand is different compared to the influence of trademark/brand blurring on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.

H_0^{6e}: The influence of trademark/brand blurring on customer-based brand equity for a high involvement, transformationally motivated trademark/brand is not different compared to the influence of trademark/brand blurring on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.
H_a^{6e}: The influence of trademark/brand blurring on customer-based brand equity for a high involvement, transformationally motivated trademark/brand is different compared to the influence of trademark/brand blurring on customer-based brand equity for a low involvement, transformationally motivated trademark/brand.

H_0^{6f}: The influence of trademark/brand blurring on customer-based brand equity for a low involvement, informationally motivated trademark/brand is not different compared to the influence of trademark/brand blurring on customer-based brand equity for a high involvement, transformationally motivated trademark/brand.
H_a^{6f}: The influence of trademark/brand blurring on customer-based brand equity for a low involvement, informationally motivated trademark/brand is different compared to the influence of trademark/brand blurring on customer-based brand equity for a high involvement, transformationally motivated trademark/brand.

6.4 RESEARCH DESIGN: EXPERIMENTAL METHOD AND SURVEY INSTRUMENT

Experimental research holds certain advantages (Churchill & Iacobucci, 2005). First, the researcher can control the influence of elements not tested in the study. Secondly, experiments make it possible to compare responses among groups. Thirdly, experiments have the potential to demonstrate that change in one dependent variable was caused by

another independent variable. These three characteristics of experiments are particularly valuable to address the research questions of this study. The experimental research design enabled the researcher to control the number of exposures of respondents to the independent variable as well as the circumstances and situations in which exposure occurred.

In order to address the research questions that pertained to both legal and marketing dilemmas, it was necessary to be able to investigate the impact of 12 independent variables and seven dependent variables, one at a time. Lastly, the objective was to investigate the influence of the independent variable, undiluted/tarnished/blurred trademarks/brands on the dependent variable, customer-based brand equity, in order to describe and quantify economic harm. Experimental research enables the researcher to manipulate (undiluted/tarnish/blur) the independent variable (trademark/brand) and measure the impact of the manipulation on the dependent variable (customer-based brand equity). Furthermore, experimental research design is also frequently used to measure attitude change (Petty & Cacioppo, 1996) which, in this study, refers to the dependent variable as customer-based brand equity and is operationalised as brand attitude, preceded by brand familiarity and succeeded by brand loyalty.

The study investigates influence rather than causation. However, theory on causation research does provide useful guidelines for the purposes of this study. Causation can be demonstrated if three conditions or criteria for causality are met (McDaniel & Gates, 2001): concomitant variation; appropriate time order of occurrence; and elimination of other possible causal factors. Concomitant variation or correlation refers to evidence of a predictable statistical relationship between two variables. In this research concomitant variation or correlation was demonstrated in the literature study. However, “...proof of causation requires a demonstration of correlation, but correlation alone is not proof of causation” (McDaniel & Gates, 2001, p. 212). Concomitant variation was argued in this study through theoretical arguments in the literature study and evidenced in the empirical study. There must be an appropriate time order of occurrence, which means that if an independent variable (undiluted/tarnished/blurred trademark/brand) is considered to be a likely cause for the change in the dependent variable (customer-based brand equity), a change in the independent variable must occur before a change is observed in the dependent variable. In other words, cause must come before effect.

The experiment was designed to incorporate the requirement of time order of occurrence by first exposing research participants to the undiluted/tarnished/blurred trademarks/brands before their responses were recorded. However, concluding that the independent and dependent variables vary concomitantly and that change occurred before effect is not sufficient to conclude that the independent variable (undiluted/tarnishing/blurring trademark/brand) caused an observable change in the dependent variable (customer-based brand equity). Elimination of other possible causal factors means that it must be shown that the change in the dependent variable (customer-based brand equity) was not caused by any other factor than the independent variable (undiluted/tarnishing/blurring trademark/brand). The use of an undiluted trademark/brand as independent variable served to not only create a baseline for comparison (absolute and relative changes in customer-based brand equity as response to tarnished/blurred trademarks/brands) but also to eliminate any other causal factors that could intervene in an accurate determination of causation.

Experimental research designs are categorised as classical or statistical (Aaker, et al., 2001). Classic designs consider the impact of only one treatment level of an independent variable at a time. Classic designs can further be categorised into three groups: pre-experimental, true experimental and quasi-experimental designs. Statistical design allows for the examination of the impact of different treatment levels of an independent variable as well as the impact of two or more independent variables at the same time. Statistical designs can also be further categorised into four groups: completely randomised, randomised blocks, Latin square and factorial design (Churchill & Iacobucci, 2005). This study used a factorial experiment because it allowed the researcher to examine the effects of different experimental conditions at the same time. In this study, research participants were assigned to one of 12 possible experimental conditions on a random basis. The data analysis technique used to analyse two or more variables at the same time, ANOVA (Analysis of Variance) (Rutherford, 2001) is specific to factorial research design and was also used in this study (Keller & Warrack, 2003). This study also utilised the Mann-Whitney U test to determine if the relative influence of two independent variables on the dependent variables were the same or not.

In summary, the dependent or response variable in this study is customer-based brand equity. Trademark/brand equity is referred to as customer-based brand equity and consists of three components, namely brand familiarity, brand attitudes, and brand loyalty. Brand

familiarity precedes brand attitude and brand loyalty succeeds brand attitudes. Brand attitudes consist of five sub-components: affect, cognition, attitude valence and stability, attitude accessibility, and purchase intention. The independent variables or factors are type of dilution; decision, and motivation. Each factor has different treatments or levels. The dilution factor has three levels, namely undiluted; tarnished; and blurred. The type of involvement factor has two levels, namely high involvement and low involvement. The type of motivation factor also has two levels, namely informational and transformational. The factorial experiment can be denoted as a 3 x 2 x 2 factorial design. The first factor in the 3 x 2 x 2 design refers to the type of dilution with three levels, namely undiluted; tarnished; and blurred. The second factor in the 3 x 2 x 2 factorial design refers to the type of decision with two levels, namely high involvement and low involvement. The last factor in the 3 x 2 x 2 factorial design refers to the type of motivation, namely informational and transformational. The notations used to illustrate the factorial experiment are:

EG denotes an experimental group of test units that are exposed to the experimental treatment. EG_1 to EG_{12} is used in this study to indicate the utilisation of 12 experimental groups.

R denotes the random assignment of test units and experimental treatments to groups.
X denotes exposure of test units participating in the study to the experimental manipulation or treatment. X_1 to X_{12} is used in this study to indicate 12 different treatment combinations of the three factors each with different treatment levels.

Factor 1: type of dilution:

U denotes undiluted trademark/brand

T denotes tarnished trademark/brand

B denotes blurred trademark/brand

Factor 2: type of decision:

H denotes high involvement

L denotes low involvement

Factor 3: type of motivation:

In denotes informational

Tr denotes transformational

Trademarks/brands:

M denotes Momentum trademark/brand

CL denotes City Lodge trademark/brand

FNB denotes First National Bank trademark/brand

N denotes Nando's trademark/brand

O denotes a formal observation or measurement of the dependent variable that is part of the experimental study. O_1 to O_{12} are used in this study to indicate the 12 measurements of the dependent variable involved in the experiment.

The factorial research design below illustrates exposure group and treatment levels according to trademark/brand.

Table 6.1: Factorial research design

Group	Assignment	Exposure	Trademark/ Brand	Factor levels	Observation	Denotation
EG_1	R	X_1	M	H, In, U	O_1	$O_{M, H, In, U}$
EG_2	R	X_2	M	H, In, T	O_2	$O_{M, H, In, T}$
EG_3	R	X_3	M	H, In, B	O_3	$O_{M, H, In, B}$
EG_4	R	X_4	CL	H, Tr, U	O_4	$O_{CL, H, Tr, U}$
EG_5	R	X_5	CL	H, Tr, T	O_5	$O_{CL, H, Tr, T}$
EG_6	R	X_6	CL	H, Tr, B	O_6	$O_{CL, H, Tr, B}$
EG_7	R	X_7	FNB	L, In, U	O_7	$O_{FNB, L, In, U}$
EG_8	R	X_8	FNB	L, In, T	O_8	$O_{FNB, L, In, T}$
EG_9	R	X_9	FNB	L, In, B	O_9	$O_{FNB, L, In, B}$
EG_{10}	R	X_{10}	N	L, Tr, U	O_{10}	$O_{N, L, Tr, U}$
EG_{11}	R	X_{11}	N	L, Tr, T	O_{11}	$O_{N, L, Tr, T}$
EG_{12}	R	X_{12}	N	L, Tr, B	O_{12}	$O_{N, L, Tr, B}$

The research in this study was designed as a factorial research experiment but an online survey instrument, Qualtrics, was used to collect data using questionnaires (Westberg, 2004). Survey methods used to collect data include personal interviews, telephonic interviews, mail surveys and fax surveys (Aaker, et al., 2001). Electronic surveys may arguably be considered as a fifth survey method. Westberg (2004) acknowledges the Internet, an electronic device, as a category of survey method for self-administered questionnaires. The current research required that the exposure of research participants to the independent variable be controlled. Firstly, exposure of research participants to the independent variable, trademark/brand images, needed to occur in a specific time sequence, namely before the dependent variable was measured. Secondly, the response time (latency) of research participants to certain trademark/brand images had to be measured, which only a computer software program can do (Kim, 2010). Thirdly, research participants also needed to be exposed to the treated independent variables (trademarks/brands) for a certain time period before they answered the questionnaire. Furthermore, at least 30 research participants were required in each of the 12 groups (360 research participants in total) to avoid sparse details in certain groups and statistical insignificant results. As such, an electronic or online questionnaire was the only data collection tool available that did not require an extensive budget and an extended time period to complete.

Another advantage of electronic questionnaires that are self-administered is the absence of an interviewer resulting in reducing potential social desirability response and interviewer bias (Westberg, 2004). The disadvantages associated with self-administered questionnaires, namely lower response rates, lack of control over the order in which questions are answered as well as the completeness of answers did not apply to this study as the disadvantages were neutralised by the use of the software program Qualtrics to collect data.

The treatment of the independent and dependent variables are discussed in detail below.

6.5 METHOD

This section of Chapter 6 describes the treatment of the independent and dependent variables. It describes the sample, the data collection method by questionnaire, ethical considerations, pilot study and experimental validity. The questionnaires used in this study are attached to Appendix G.

6.5.1 Treatment of variables

The response to the independent variable, treated trademarks/brands was measured by the effect it had on the dependent variables customer-based brand equity. The treatment of the independent variables, trademarks/brands, is discussed in 6.5.1.1. The operationalisation of the dependent variable is discussed in 6.5.1.2. Existing scales (6.5.1.2) were used to measure the effect of an independent variable on the seven dependent variables and modified to some extent to suit the research objectives of this study.

The reliability of an attitude measuring instrument refers to the internal consistency of items in the attitude scale or the extent to which it is free from random error. The equivalence approach is used to assess reliability for attitude scales that is composed of multiple items that presumably measure the same underlying uni-dimensional attitude (Aaker, et al., 2001). Internal consistency of an instrument is a good indicator of reliability and the measure of this characteristic is Cronbach's coefficient alpha that is a split-half measure of similarity that indicates reliability. Reliability indicates the extent to which results can be repeated and therefore reliability of every scale in this study was measured (Westberg, 2004). The Cronbach coefficient alpha of each scale is reported separately with the discussion of the scale under the dependent variable heading.

6.5.1.1 Independent variables

The independent variables for this study consisted of the visual or tangible representation of trademarks/brands embodied by names, terms, symbols, or designs or a combination hereof. Four trademarks/brands were selected that qualified as well-known according to parameters set by section 34(1)(c) and each trademark/brand were exposed to three factors. The first factor referred to dilution and had three treatment levels, undiluted (U), tarnished (T) and blurred (B). An undiluted factor indicates an absence of either tarnishing or blurring. Tarnishing indicates that the reputation of the trademark/brand has been made less favourable while blurring indicates that the character of the trademark/brand has been made less distinctive. The second factor referred to the type of decision consumers make in terms of their level of involvement, namely high (H) or low (L) involvement (two treatment levels). In high involvement decisions extensive cognitive processing or elaboration are required and in terms of the Elaboration Likelihood Model (ELM) developed by Petty and Cacioppo (1980), the consumer must also have the ability and motivation to process information. In high involvement decisions consumers resort to central processing. If consumers do not have the ability and motivation to process information, extensive cognitive processing or elaboration is absent and consumers use for example sensory cues to make decisions. The decision is then described as low involvement and consumers resort to peripheral processing. The third factor referred to the type of motivation involved when consumers make decisions, namely informational (In) or transformational (Tr) motivations (two treatment levels). Informationally motivated decisions are based on thoughts (cognition), while transformationally motivated decisions are based on feelings (affect).

The experimental design is thus referred to as a 3 x 2 x 2 factorial design. The type of decision and motivation are discussed first and the application of the type of dilution within the context of type of decision and motivation thereafter.

The discussion on the experimental factors type of decision and motivation is based on Figure 5.1 in Chapter 5 that illustrates how trademarks/brands could be classified based on the type of decision and motivation involved in consumer decision-making regarding trademarks/brands.

EXPERIMENTAL FACTORS: TYPE OF DECISION AND MOTIVATION

LEVEL: HIGH INVOLVEMENT (H)/INFORMATIONAL (In)

The Foote, Cone and Belding grid (Ratchford, 1987) describes high involvement/thinking (informational) decisions as cognition and intellectually based, driven by consumer learning and economic considerations. In terms of the original Foote, Cone and Belding grid (Rossiter, et al., 1991) products and services like car insurance, life insurance, contact lenses, washers/dryers, credit cards and motor oil fell in this category. The type of decisions made in this category has also been described (Vaughn, 1986) as rational decisions of high importance, made in respective of expensive products and service. Informational motives usually involve problem removal, problem avoidance, incomplete satisfaction, avoidance and normal depletion. 'Insurance' was selected as the service category from which a trademark/brand was selected as independent variable. The trademark/brand, as represented by its name, term, sign, symbol, design or combination hereof, that was selected as independent variable had to be well-known to the general public to satisfy statutory requirements of the Trade Marks Act 194 of 1993. Being well-known, according to the Trade Marks Act 194 of 1993, implies a certain level of awareness amongst most of a country's population, not only a particular section or niche thereof. The probability that most of the sample were aware of, or a purchaser of, or a potential purchaser of insurance was high, and therefore insurance, as service category qualified as source from which the independent variable was selected. It is a reasonable assumption that most people above the age of 25 in a professional or managerial capacity have considered purchasing insurance. The argument re probability of awareness and assumption of consideration also applies to the high involvement/transformationally motivated, low involvement/informationally motivated and low involvement/transformationally motivated categories discussed below. The Momentum (M) trademark/brand was selected as independent variable in the high involvement (H)/informational (In) category. The embedded value of MMI Holdings Limited of which Momentum (M) contributed two thirds has increased to R33, 4 billion (MMI interim results to 31 December 2012 show strong growth, 2013). If a company has retail customers, high embedded value is an indication that the company is known to the general public. The Momentum (M) trademark/brand therefore qualifies as sufficiently well-known for the purposes of the Trade Marks Act 194 of 1993.

LEVEL: HIGH INVOLVEMENT (H)/TRANSFORMATIONAL (Tr)

The Foote, Cone and Belding grid (Ratchford, 1987) describes high involvement/feeling (transformational) decisions as affect and feeling based, driven by consumer emotions and psychological considerations. In terms of the original Foote, Cone and Belding grid products and services like a family car, sports car, expensive watches, eyeglasses, wallpaper, hair colouring, perfume, vacations, fashion clothing, wine for self or dinner party, complexion face soap, ground coffee and toothpaste fall in this category (Rossiter, et al., 1991). The type of decisions made in this category has also been described (Vaughn, 1986) as emotional decisions of high importance, made in respective of expensive products and service. Hotels, steak restaurants and holidays have also been included in the high involvement/transformational category (Mortimer, 2002a). Transformational motives usually involve sensory gratification, intellectual stimulation and social approval. 'Hotels' was selected as the service category from which a trademark/brand was selected as independent variable. The trademark/brand, represented by its name, term, sign, symbol, design or combination hereof, that was selected as independent variable had to be well-known to the general public to satisfy statutory requirements of Trade Marks Act 194 of 1993. Being well-known implies a certain level of awareness amongst most of the population. The probability that most of the sample were aware of, or a user of, or a potential user of hotels was high, and therefore hotels, as service category qualified as source from which the independent variable was selected. The City Lodge (CL) trademark/brand was selected as independent variable in the high involvement (H)/Transformational (Tr) category. For the year ending 30 June 2013 the City Lodge group reported spending R72, 936 million on marketing and with revenues amounting to R975, 839 million (Annual Report, 2013). The City Lodge (CL) trademark/brand therefore qualifies as sufficiently well-known for the purposes of the Trade Marks Act 194 of 1993.

LEVEL: LOW INVOLVEMENT (L)/INFORMATIONAL (In)

The Foote, Cone and Belding grid (Ratchford, 1987) describes low involvement/thinking (informational) decisions as cognition and intellectually based being responsive in nature and based on habitual or routine decision-making. According to the original Foote, Cone and Belding grid products and services like insecticide, suntan lotion, shampoo, razors, paper towels, bleach, aspirin; light beer, detergent, routine industrial products and salad oil fall in this category (Rossiter, et al., 1991). The type of decisions made in this category has also been described (Vaughn, 1986) as rational decisions of low importance, made in respective of less expensive products and service. Banks and photo processing have also

been included in the low involvement/informational category (Mortimer, 2002a). Informational motives include problem removal, problem avoidance, incomplete satisfaction, and normal depletion. 'Banks' was selected as the service category from which a trademark/brand was selected as independent variable. The trademark/brand, represented by its name, term, sign, symbol, design or combination hereof, that was selected as independent variable had to be well-known to the general public to satisfy statutory requirements of Trade Marks Act 194 of 1993. Being well-known implies a certain level of awareness amongst most of the population. The probability that most of the sample were aware of, or a user of, or a potential user of a bank was high, and therefore banking as service category qualified as source from which the independent variable was selected. The First National Bank (FNB) trademark/brand was selected as the independent variable in the low involvement (L)/informational (In) category. For the year ending 30 June 2013 First Rand reported spending R1, 280 billion (Analysis of financial results 2013, 2013) on marketing. The First National Bank (FNB) trademark/brand therefore qualifies as sufficiently well-known for the purposes of the Trade Marks Act 194 of 1993.

LEVEL: LOW INVOLVEMENT (L)/TRANSFORMATIONAL (Tr)

The Foote, Cone and Belding grid (Ratchford, 1987) describes low involvement/feeling (transformational) decisions as based on hedonistic and social considerations driven by the need for satisfaction. In terms of the original Foote, Cone and Belding grid products and services like fiction novels, beer, inexpensive watches, chicken, pizza, greeting cards, deodorant, soap, peanut butter, fast food restaurants, fruit, frozen baked goods, women's magazines, barbeque sauce, diet soft drinks, and salty snacks fall in this category (Rossiter, et al., 1991). The type of decisions made in this category has also been described (Vaughn, 1986) as emotional decisions of low importance, made in respect of less expensive products and service. Fast food and long-distance phone calls have also been included in the low involvement/transformational category (Mortimer, 2002). Transformational motives include sensory gratification, intellectual stimulation and social approval. 'Fast food' was selected as the service category from which a trademark/brand was selected as independent variable. The trademark/brand, represented by its name, term, sign, symbol, design or combination hereof, that was selected as independent variable had to be well-known to the general public to satisfy statutory requirements of Trade Marks Act 194 of 1993. Being well-known implies a certain level of awareness amongst most of the population. The probability that most of the sample were aware of, or a purchaser of, or a potential purchaser of fast food, was high, and therefore insurance as

service category qualified as source from which the independent variable was selected. The Nando's (N) trademark/brand was selected as the trademark/brand in the low involvement (L)/transformational (Tr) category. In 2012 Nando's had sales of $650 million (over R6 billion) and 1 000 outlets in thirty countries (Nando's, 2013).

In order to qualify for dilution protection in terms of section 34(1)(c) of Trade Marks Act 194 of 1993 of the Republic of South Africa and most other international legislation, the senior trademark/brand must show that the senior and junior marks are similar; that use by the junior mark is unauthorised, in the course of trade, unfair or detrimental; and that the senior mark is well-known. Furthermore, the products or services in terms of which the junior mark is used need not be similar to the products or services in terms of which the senior mark is used. The trademarks/brands selected as independent variables for this study satisfy these requirements. All four brands are similar and well-known. The nature of use is established or proven by the influence of the independent variable on the dependent variable.

EXPERIMENTAL FACTOR: DILUTION
LEVELS: UNDILUTED (U), TARNISHED (T), BLURRED (B)

Research groups 1 - 3: Momentum (M), High involvement (H), Informational (In)

Undiluted (denoted as M, H, In, U)

Momentum (M) was indicated as the top brand in the category Long term insurance (The 2012 Sunday Times Top Brands Survey Results, 2013). The Sanlam brand and Old Mutual brand were awarded second and third positions respectively. It can therefore be concluded that all three trademarks/brands are well-known on a national level and therefore in all probability known to the population from which the sample was drawn as well as satisfying the statutory requirement of 'famousness'. The undiluted Momentum brand logo (Image 6.1 below) consists of the word 'Momentum' written in a particular bold font, red and navy blue respectively, in lower case with the iconic red 'm' at the beginning of the brand name. The slogan 'making a success of life' appears above the brand name, in the same navy blue font, also in lower case but not bold. The junior mark was designed to either tarnish or blur the Momentum brand (senior mark).

Image 6.1: Undiluted (U) Momentum (M) trademark/brand

Source: Momentum

Tarnishing (denoted as M, H, In, T)

Tarnishing was simulated by giving a fictitious product, condoms, the name 'Momentous'; replacing the slogan 'making a success of life' with 'making a success of sex'; and adding a slogan 'for momentous men' to compound the treatment of the Momentum brand. The iconic red 'm' is permutated to represent three penises in the same bold font, casing, colour and size as well as positioning one of the slogans ('making a success of sex') identically to the Momentum brand slogan. The second slogan ('for momentous men') appears directly below the name 'Momentous'. The intention of the tarnishing treatment of the Momentum brand logo (Image 6.2 below) was to make the Momentum trademark/brand less favourable by tarnishing its reputation.

Image 6.2: Tarnished (T) Momentum (M) trademark/brand

Blurring (denoted as M, H, In, B)

Blurring was simulated by giving a fictitious shuttle service the name 'Momentum' and replacing the slogan 'making a success of life' with 'shuttles with drive'. The original Momentum brand name is kept stylistically exactly as the original brand. A symbol, representing a fast driving motor vehicle, in the same red colour as the iconic Momentum 'm' was added below the brand name. The intention of the blurring treatment (Image 6.3 below) was to make the Momentum trademark/brand less distinct by blurring its character, suggesting a new service (transport) that looks as if it could originate from the senior mark (Momentum) that relates to insurance.

Image 6.3: Blurred (B) Momentum (M) trademark/brand

Because the tarnishing and blurring trademarks/brands were stylistically similar to the original 'Momentum' brand (referring to font, casing, colour, size, slogan positioning and logo appearance) as well as audibly it can be concluded that the degree of similarity will satisfy the statutory requirement of similarity.

Trademark/brand accessibility control: High involvement (H), Informational (In) trademarks/brands

One of the dependent variables measured in this study is brand accessibility, a component of brand strength. Brand accessibility is investigated by measuring the response time to the senior mark. In order to compensate for control effects the research participants were exposed to two other similar (same product or service category) control trademarks/brands over and above the unblurred senior mark (Berger & Mitchell, 1989; Kim, 2010), in this instance 'Momentum'. The two other trademarks/brands the research participants were

exposed to were Sanlam and Old Mutual (both South African insurers) who enjoy the same level of famousness compared to Momentum. The requirement of similarity and famousness (being well-known) is therefore met. Image 6.4 below shows the two control trademark/brand images to which the research participants were exposed.

Image 6.4: High involvement (H), Informational (In) trademark/brand accessibility control images

Source: Sanlam Source: Old Mutual

Research groups 4 – 6: City Lodge (CL), High involvement (H), Transformational (Tr)

Undiluted (denoted as CL, H, Tr, U)

City Lodge (CL) was selected for research purposes as the City Lodge hotel group which has 15 city lodges across South Africa and is also one of the 250 largest hotel chains in the world (Berger, et al. 1999). It can therefore be concluded that the City Lodge brand is well-known on a national level and therefore in all probability known to the population from which the sample was drawn. The degree of 'famousness' of the senior trademark/brand under investigation, City Lodge, will also satisfy the statutory requirement of 'famousness'. The undiluted City Lodge brand logo (Image 6.5 below) consists of the words 'City Lodge' in bold maroon red upper case Roman type font with two light grey borders above and below the name. The border is approximately 1 mm wide and a brand logo, in the form of a tree, appears above the upper grey border line. The tree consists of clearly differentiated tubular shapes ending with a rounded tapering. The junior mark was designed to either tarnish or blur the City Lodge brand (senior mark).

Image 6.5: Undiluted (U) City Lodge (CL) trademark/brand

Source: City Lodge

Tarnishing (denoted as CL, H, Tr, T)

Tarnishing was simulated by creating a fictitious escort service that consisted of changing the name of the senior mark 'City Lodge' to 'The Lodge in the City'. The name 'The Lodge in the City' also appeared in maroon red upper case Roman type font with identical two light grey borders above and below the name. The border is identical in appearance to the 'City Lodge' brand but a slogan 'A new strip club where 'You can lodge your load' in this sweet African bush' is written in a light grey, upper case, and small font size below the lower border of the brand name. The brand logo consists of the lower half of a female body and the 'City Lodge' tree is turned upside down and placed in the figure's pubic area to suggest the supposed services offered. The intention of the tarnishing treatment (Image 6.6 below) of the City Lodge trademark/brand was to make the City Lodge trademark/brand less favourable by tarnishing its reputation, linking it to a place of questionable morality.

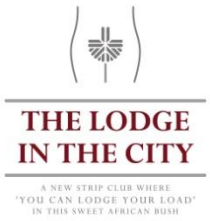

Image 6.6: Tarnished (T) City Lodge (CL) trademark/brand

Blurring (denoted as CL, H, Tr, B)

Blurring was simulated by giving a fictitious backpacker's lodge the name 'Cape Town's City Lodge for Backpackers'. The name appeared in the same font, casing, colour, and size as the 'City Lodge' brand name and also has the identical upper and lower grey border. The tree is slightly altered with three grey flowers added to the upper half of the tree, to give it a younger feel and appearance because the tree now looks whimsical or playful. The intention of the blurring treatment (Image 6.7 below) was to make the City Lodge brand less distinct by blurring its character, suggesting a new hospitality service that looks as if it could originate from the senior mark (City Lodge) that operates a hotel chain.

Image 6.7: Blurred (B) City Lodge (CL) trademark/brand

Because the tarnishing and blurring trademarks/brands were stylistically similar to the original 'City Lodge' brand (referring to font, casing, colour, size, and slogan positioning and logo appearance) as well as audibly it can be concluded that the degree of similarity will satisfy the statutory requirement of similarity.

Trademark/brand accessibility control: High involvement (H), Transformational (Tr) trademarks/brands

The two brands used to compensate for control effects in respect of the brand accessibility component for the City Lodge trademark/brand were Protea Hotels (Protea Hotels) and Hotel Formule One (Hotel Formule 1). Protea Hotels is represented in nine African countries and has 100 hotels across the continent. Hotel Formule One has 23 hotels in South Africa and is represented in every other country in the world. Both control brands enjoy approximately the same level of famousness compared to City Lodge given their national and international presence. The requirement of famousness (being well-known) is therefore met. Image 6.8 below shows the two control trademark/brand images to which the research participants were exposed.

Image 6.8: High involvement (H), transformational (Tr) trademark/brand accessibility control images

Source: Protea Hotels

Source: Hotel Formule 1

Research groups 7-9: First National Bank (FNB), Low involvement (L), Informational (In)

Undiluted (denoted as FNB, L, In)

First National Bank (FNB) was indicated as the brand that occupied the second position in the category Retail banks in the Sunday Times Top Brands Survey (The 2012 Sunday

Times Top Brands Survey Results, 2013). The Absa brand and Standard Bank of South Africa brand were awarded first and third positions respectively. It can therefore be concluded that all three trademarks/brands are well-known on a national level and therefore in all probability known to the population from which the sample of this study was drawn. The degree of 'famousness' of the senior trademark/brand under investigation, First National Bank, will also satisfy the statutory requirement of 'famousness'. The undiluted First National Bank trademark/brand (Image 6.9 below) consists of the words 'FNB' written in turquoise with the full brand name 'First National Bank' written in a smaller turquoise font below the abbreviation 'FNB'. To the left of the brand name is the brand logo, a circle with the top of a black African acacia tree against an orange and yellow sunset. The circle's bottom half is supported by a half moon turquoise shape. Below the brand name and sunset/acacia tree logo the slogan 'How can we help you?' appears in italic black font. The junior mark was designed to either tarnish or blur the First National Bank brand (senior mark).

Image 6.9: Undiluted (U) First National Bank (FNB) trademark/brand

Source: First National Bank

Tarnishing (denoted as FNB, L, In, T)

Tarnishing was created by an actual spoof of the 'FNB' brand that appeared on t-shirts. The same font, font size and font colour was used in the spoofed version of the senior mark. The full brand name 'First National Bank' was replaced by the words 'First National Bankie'. The word 'Bankie' refers to a brick or solid rectangular cube of marijuana. The black African acacia tree was replaced with a black marijuana leaf against the orange and yellow sunset. The half-moon turquoise shape was kept as per the original logo and the words 'How can we help you?' were replaced by the words, also in black italic font, 'How

can weed help you?'. The intention of the tarnishing treatment (Image 6.10 below) of the First National Bank brand was to make the FNB trademark/brand less favourable by tarnishing its reputation with a parody, linking it to an illegal substance.

Image 6.10: Tarnished (T) First National Bank (FNB) trademark/brand

Blurring (denoted as FNB, L, In, B)

Blurring was simulated by giving a fictitious insurer the name 'First National Insurance' and replacing the slogan 'How can we help you?' with 'We will help you' directly beneath the abbreviation 'FNI'. The blurred name 'First National Insurance' appears on the top half quadrant of the yellow and orange sunset circle. The black African acacia tree is replaced by a black umbrella against the yellow and orange sunset circle, suggesting coverage similar to the Santam trademark/brand. The turquoise half-moon now appears on the top half of the sunset circle as opposed to the bottom half as in the original trademark/brand logo appearing beneath the name 'First National Insurer'. The intention of the blurring treatment (Image 6.11 below) was to make the First National Bank brand less distinctive by blurring its character, suggesting a new insurance service that looks as if it could originate from the senior mark.

Image 6.11: Blurred (B) First National Bank (FNB) trademark/brand

Because the tarnishing and blurring trademarks/brands were stylistically similar to the original 'First National Bank' brand (referring to font, casing, colour, size, and slogan positioning and logo appearance) as well as audibly it can be concluded that the degree of similarity will satisfy the statutory requirement of similarity.

Trademark/brand accessibility control: Low involvement (L), Informational (In) trademarks/brands

The two brands used to compensate for control effects in respect of the brand accessibility component was Absa bank and Standard Bank of South Africa. Both control brands enjoy approximately the same level of famousness compared to First National Bank as all three brands are retail bank brands in the Sunday Times Top Brands Survey (The 2012 Sunday Times Top Brands Survey Results, 2013). The requirement of famousness (being well-known) is therefore met. Image
to which the research participan

Image 6.12: Low involvement (L), Informational (In) trademark/brand accessibility control images

Source: Absa

Source: Standard Bank of South Africa

Research groups 10 – 12: Nando's (N), Low involvement (L), Transformational (Tr)

Undiluted (denoted as N, L, Tr, U)

Nando's (N) was indicated as the brand that occupied the second position in the category Fast food (The 2012 Sunday Times Top Brands Survey Results, 2013). The Kentucky Fried Chicken brand occupied the first position. It was therefore concluded that these two trademarks/brands were well-known on a national level and therefore in all probability known to the population from which the sample was drawn as well as satisfying the statutory requirement of 'famousness'. The undiluted Nando's brand (Image 6.13 below) consists of the brand name that appears written in a unique red font in upper and lower case between two small leaves. On top of the brand name appears the brand logo that consists of a black chicken with a cheeky and contemporary appearance. The chicken has a red heart in the centre of its chest and one large red tail feather with yellow dots lined in black. The chicken also has a red comb, yellow beak and yellow beady eye. The junior mark was designed to either tarnish or blur the Nando's brand (senior mark).

Image 6.13: Undiluted (U) Nando's (N) trademark/brand

Source: Nando's

Tarnishing (denoted as N, L, Tr, T)

Tarnishing was simulated by giving a fictitious vegetarian fast food service the name 'Nandon'ts'. The amended name appears in the same font, casing, colour and size as the senior mark and also appeared between identical two green leaves. Below the brand name appeared a slogan in lower black casing in a smallish font that resembles the senior mark's font that reads 'we eat fruit, not friends'. The same chicken logo appears above the

brand name, but there is a red circle drawn around the chicken and the circle is crossed through at an angle with a red line like a road sign to indicate forbiddingness. The intention of the tarnishing treatment (Image 6.14 below) of the Nando's brand was to make the Nando's trademark/brand less favourable by tarnishing its reputation in suggesting that chickens are not an appropriate food substance.

Image 6.14: Tarnished (T) Nando's (N) trademark/brand

Blurring (denoted as N, L, Tr, B)

Blurring was simulated by giving a fictitious fish and chips fast food service the name 'Dorado's' and adding the slogan 'we are to fish what you know who's to chicken'. The same font, casing, colour and size as the senior mark were used and the name also appeared between identical two green leaves. The slogan appears below the name 'Dorado's' in lower black casing in a smallish font resembling the original Nando's font. The chicken is replaced with a fish lined in black, filled with the same red as the chicken, black lined yellow spots on the body of the fish, a black lined heart in yellow as a fin, a yellow tail fin also line in black, and a yellow and black beady eye representing the same cheeky appearance as the Nando's chicken. The intention of the blurring treatment (Image 6.15 below) was to make the Nando's brand less distinct by blurring its reputation, suggesting a new service (fish and chips) that looks as if it could have originated from the senior mark that relates to fast food.

Image 6.15: Blurred (B) Nando's (N) trademark/brand

Because the tarnishing and blurring trademarks/brands were stylistically similar to the original Nando's brand (referring to font, casing, colour, size, slogan positioning and logo appearance) as well as audibility it can be concluded that the degree of similarity will satisfy the statutory requirement of similarity.

Trademark/brand accessibility control images for Low involvement (L), Transformational (In) trademarks/brands

The first of the two brands used to compensate for control effects in respect of the brand accessibility component was KFC (Kentucky Fried Chicken) referred to above. The second control brand is Chicken Licken, also in the fast food category that is the only other South African brand that offers chicken take-away similar to Nando's and KFC. Although KFC probably enjoys a much higher level of famousness (international) compared to Chicken Licken (national), Chicken Licken is the only brand that qualifies in terms of product category. The requirement of similar famousness (being well-known) in respect of both control brands, is therefore not completely matched in this instance. Image 6.16 below shows the two control trademark/brand images to which the research participants were exposed.

Image 6.16: Low involvement (L), Transformational (Tr) trademark/brand accessibility control images

Source: KFC Source: Chicken Licken

According to research protocol when brand accessibility is measured (Berger & Mitchell, 1989; Kim, 2010) it is necessary to first introduce research participants to the test procedure by using a brand that is not part of the research study. In this study, the Metropolitan brand (Image 6.17 below) was introduced to research participants before the actual study commenced and they were requested to indicate as quickly as possible whether they liked or disliked the Metropolitan brand. The research participants exercised their choice by clicking on the like or dislike button below the image on the computer screen.

Image 6.17: Trademark/brand accessibility test image

Source: Metropolitan

In summary, a 3 x 2 x 2 factorial experiment is conducted to determine if trademark/brand dilution causes a change in customer-based brand equity. The three factors of the experiment consisted of the type of decision consumers make that has two factorial levels, high involvement or low involvement; the type of motivation involved in the decision-making process, also with two factorial levels, informational or transformational; and the level of dilution, with three factorial levels, undiluted, tarnishing or blurring. Four trademarks/brands that qualified in terms of statutory dilution requirements (Trade Marks Act 194 of 1993) as being well-known were treated adhering to the statutory dilution requirement (Trade Marks Act 194 of 1993) of similarity. The next section of the chapter discusses the dependent variable, in this instance customer-based brand equity, operationalised as trademark/brand attitude.

6.5.1.2 Dependent variables

The purpose of this study was to measure the effect of trademark/brand dilution on customer-based brand equity. Customer-based brand equity was operationalised (see Chapter 5) as brand attitude, a multi-dimensional construct consisting of affective, cognitive, strength, attitude accessibility, and conative (purchase intention) components; preceded by brand familiarity and succeeded by brand loyalty. Each component of brand attitude, familiarity and loyalty is discussed below with their respective item reliabilities.

AFFECT AND COGNITION AS SUB-COMPONENTS OF BRAND ATTITUDE

The source of the scale used to measure affective and cognitive attitude is Voss, Spangenberg and Grohmann (2003). The scale is a shortened version of a longer scale by Spangenberg, Voss and Crowley (1997). The scale consists of 16 semantic differential pairs rated on a 7-point scale. The mean of all responses to the 16 respective pairs was taken to determine affective and cognitive attitude. The central point of the 7-point scale was ‘neither/nor’ with ‘somewhat’ on either side, ‘very’ in the next two spaces and ‘extremely’ on the outside spaces. Eight of these pairs capture affective (hedonic) attitudes and eight capture cognitive (utilitarian) attitudes. The affective and cognitive dimensions were scored using the statistical mean. The items are:

Table 6.2: Affective and cognitive scale items

Pairs	Affective items	Pairs	Cognitive items
1	Not fun/fun	**1**	Ineffective/Effective
2	Dull/exciting	**2**	Unhelpful/Helpful
3	Not delightful/delightful	**3**	Not functional/Functional
4	Not thrilling/thrilling	**4**	Unnecessary/Necessary
5	Unenjoyable/enjoyable	**5**	Impractical/Practical
6	Unpleasant/pleasant	**6**	Useless/Useful
7	Not playful/playful	**7**	Harmful/Beneficial
8	Not amusing/amusing	**8**	Not problem solving/problem solving

The scale is based on the initial conceptual work of Holbrook and Hirschman (1982) positing that consumer behaviour and purchase intention are performed to obtain affective and utilitarian gratification. Batra and Ahtola (1991) used the Holbrook and Hirschman (1982) conceptualisation as basis to measure the hedonic and utilitarian sources of consumer attitude. The scale developed by Batra and Ahtola (1991) treats affective and cognitive attitudes as separate constructs, based respectively on emotional gratification derived from sensory product or brand attributes (affective attitude) and functional consequences resulting from product usage (cognitive attitude). The Spangenberg et al. (1997) scale is based on the premise that hedonic attitudes are experienced on both a cognitive and an affective level, while utilitarian attitudes are dominated by cognition. They also agree that the affective/cognitive basis of hedonic attitudes result in emotional desires that compete with the utilitarian motives of purchase behaviour. However, the Voss et al. (2003) scale, a shortened version of the Spangenberg et al. (1997) scale, is based on the same theoretical premise as the Batra and Ahtola (1991) scale, namely that utilitarian attitudes are more related to and concerned with the functional consequences of product usage while hedonic attitudes are based primarily on affective or emotional gratification derived from sensory product or brand usage.

Voss et al. (2003) reported a coefficient alpha for the hedonic dimension, of 0.95 and for the utilitarian dimension of 0.92. Voss et al. (2003) also demonstrated the discriminant

validity ($p < .001$) of the scale as well as nomological and predictive validity. A Cronbach alpha larger or equal to 0.90 is an excellent indication of internal consistency (Cortina, 1993). In the current study, the affect (hedonic) and cognition (utilitarian) scales achieved a Cronbach alpha of 0.95 for affect and 0.93 for cognition. The scales measuring the dimensions 'affect' and 'cognition' of brand attitude are therefore internally consistent and reliable scales and can therefore be used to base decisions on.

ATTITUDE VALENCE AND STABILITY AS COMPONENT OF ATTITUDE STRENGTH

Attitudes vary in valence (the degree of positivity or negativity with which the trademark/brand is evaluated) and strength that consists of attitude accessibility and stability. Attitude stability is determined by attitude importance and confidence. The scale used in this study to measure attitude strength was developed by Park, MacInnis, Priester, Eisingerich and Iacobucci (2010) and is based on initial work by Krosnick, Boninger, Chuang, Berent and Carnot (1993). This scale used a set of items regarded as corresponding with attitude strength that consist of attitude valence and stability. Krosnick et al. (1993, p. 1132) believe that attitude strength consists of different dimensions that are conceptually and empirically distinct rather than being "...multiple manifestations of a smaller set of underlying attributes". These dimensions are extremity; intensity; certainty; importance; interest in relevant information; knowledge; accessibility; direct experience; latitudes of rejection and non-commitment and affective-cognitive consistency. Based on these dimensions, Park et al. (2010) measured attitude valence and strength with the items as shown in Table 6.3 below.

Table 6.3: Attitude valence and stability scale items

Items	Valence
1	Good/Bad
2	Positive/Negative
3	Like/Dislike
	Strength related items (stability)
1	*Importance* of trademark/brand to individual
2	*Self-relevance* of trademark/brand to individual
3	Extent to which individual has *thought* about the trademark/brand
4	Extent to which individual is *confident* with his/her brand evaluation
5	Extent to which individual is *certain* regarding his/her brand evaluation

An 11-point semantic differential scale was used to measure responses anchored by opposite word pairs like good/bad. The rating scale was anchored by -5 (for example bad) and +5 (for example good) with 0 indicating undecided. Park et al (2010) reported a coefficient alpha for the valence dimension of 0.73 and for the strength related items also 0.73. Evidence was also provided regarding convergent and discriminant validity of the brand attachment and attitude scales ($p < .001$). Park et al. (2010) reported attitude strength as a single-order factor reflecting the multiplicative product of attitude valence weighed by the confidence/certainty with which the attitude is held. Their results remained unchanged when all five strength-related items were included. Their results also remained similar when brand attitude strength was assessed as the average of the items indicating attitude valence and confidence/certainty or as a two-factor model with valence and confidence/certainty as a separate second-order factor. The measurement of all eight dimensions was therefore averaged to indicate attitude strength. Although Park et al. (2010) did not report the results for attitude valence in isolation, it was reported separately in this study to investigate the exact nature of the influence of trademark/brand dilution. Furthermore, an earlier scale measuring attitude strength, developed by Priester, Nayakankuppam, Fleming and Godek (2004), also used the scale items importance; self-relevance; certainty and thought, indicating that these items are most appropriate when measuring attitude strength.

A Cronbach alpha between 0.70 and 0.90 is a good indication of internal consistency (Cortina, 1993). In the current study, the brand strength scale returned a Cronbach alpha of 0.87 indicating that the scale is internally consistent and reliable. The data obtained from the brand strength scale can therefore be used to base decisions on.

ATTITUDE ACCESSIBILITY AS COMPONENT OF ATTITUDE STRENGTH

Attitudes become accessible when people have formed a strong association between their evaluation of an attitude object, like a trademark/brand, and their mental representation of the object (Fazio, 1990; Maio, et al., 2010). The concept ‘attitude accessibility’ is based on a model developed by Fazio (1986) that is based on the proposition that the attitude accessibility variable may be the critical dimension moderating the attitude-behaviour relationship and is operationalised by Fazio (1986) as the latency of response, or reaction time, to an attitudinal enquiry. Berger and Mitchell (1989) argue that within a brand choice context, an attitude that is highly accessible is more likely to be activated from memory

and as a consequence being more likely to influence brand perceptions and brand choices than less accessible attitudes.

Studies that have measured attitude accessibility using response latencies include Bassili (1996), Berger and Mitchell (1989), Fazio, Powell and Williams (1989) and Fazio and Williams (1986). Attitude accessibility was measured in this study using the same procedures as Berger and Mitchell (1989). Participants were presented with three separate trademark/brand images (see Table 6.4) as part of the questionnaires and instructed to choose between 'Like' and 'Dislike' to indicate their accessibility of each trademark/brands' association. Participants were requested to respond as quickly and accurately as possible (Fazio, 1990) and were prepared for the procedure with a test run (using the Metropolitan brand) before the actual questionnaire started. The accessibility of two additional brands (Table 6.7 below), similar in consumer recognition and service/product offering, were also measured to control for accessibility (response latency) effects (Kim, 2010). The purpose of the test run was to avoid confusion and familiarise research participants with the test procedure. The whole questionnaire was conducted electronically using Qualtrics software which made it possible to record reaction time very accurately.

Table 6.4: Attitude accessibility trademarks/brands

H/In
Momentum; Old Mutual; Sanlam
H/Tr
City Lodge; Protea Hotels; Formule 1 Hotels
L/In
First National Bank; Absa; Standard Bank of South Africa
L/Tr
Nando's; KFC; Chicken Lickin'

The attitude accessibility test has a coefficient alpha of 0.74, in the Berger and Mitchell (1989) study which is regarded as an acceptable level of internal consistency. However, previous research has shown that response times were highly skewed and there were some abnormally long response times. Kim (2010) points out that cognitive psychologists typically consider these abnormal responses as errors resulting from individual inattention or distraction. In order to compensate for error variance due to individual responses in general responding some adjustments were made. The latencies across participants were

standardised by dividing the latency score of a particular trademark/brand within a category, for example the tarnished Momentum trademark/brand, by the mean of latency scores for all three Momentum trademarks/brands (undiluted, tarnished, blurred). Actual latency score was divided by mean control latency. The standardised latency scores represent attitude accessibility. The response latencies were plotted on a log-linear scale and this produced a better fit and therefore more reliable results. The log-linear transformation was hence done for all the accessibility tests, which is a standard transformation when response times are analysed because of highly skewed data. The data analysis did not produce a Cronbach alpha, but it is accepted that the scale is consistent and reliable because of its wide use.

CONATIVE BRAND ATTITUDE (PURCHASE INTENTION)

The scale used in this study to measure conative brand attitude or purchase intention conceptualises purchase intent as the degree to which customers intend to purchase a firm's products/services in future when the need arises to purchase the product or obtain the service again (Maxham & Netemeyer, 2002a, 2002b, 2003; Netemeyer, Maxham, & Pullig, 2005). The scale has also been used in a number of ways. For example, to measure the effects of customer perceived justice of complaint handling on purchase intent (Maxham & Netemeyer, 2002b); to determine the effect of complaining customers' evaluations of multiple service failures and recovery efforts on purchase intent (Maxham & Netemeyer, 2002a); and to investigate how employees' perceptions of shared values and organisational justice influence consumer purchase intent (Maxham & Netemeyer, 2003). Finally, the scale was also used to determine how conflicts in the work-family interface aligned with consumer purchase intention (Netemeyer, et al., 2005). The scale used in all the above studies focused on the probability of doing business with a specific marketer as opposed to the likelihood of buying a product. The focus of the scale is therefore appropriate to this study as it investigates how trademark/brand dilution influences consumer purchase intention in terms of a specific trademark/brand (marketer) and not buying a product or service. The scale reported a coefficient alpha of 0.91 in different applications, for example bank customers, new home buyers and customers of an electronics dealer. The scale consisted of three Likert style items measured on a seven point scale anchored by disagree strongly and agree strongly. The conative component was scored using the mean of the tree items. Table 6.5 lists the scale items.

Table 6.5: Conative brand attitude (purchase intention)

1	In the future, I intend to use ____ for ____ purchases.
2	If you were in the market for ____, how likely would you be to use ____?
3	In the near future, I will not use ____ as my ____provider.

The original purchase intention scale produced a Cronbach alpha of 0.91. The purchase intention scale was reported as discriminantly valid and internally consistent, with the authors (Maxham & Netemeyer, 2002a, 2002b, 2003; Netemeyer, et al., 2005) reporting that the scale passed a highly stringent validity test. However, in this study the Cronbach alpha for the conative component (purchase intention) measured somewhat lower at 0.73. The scale is internally consistent and reliable as the alpha is larger than 0.70. The data obtained from the conative component (purchase intention) of the brand attitude construct can therefore be used to base decisions on, though some caution should be taken in doing so (Cortina, 1993).

The next two dependent variables that will be discussed precedes brand attitude, namely brand familiarity, and succeeds brand attitude, namely brand loyalty.

PRECURSOR TO BRAND ATTITUDE: BRAND FAMILIARITY

Brand familiarity, a component of brand knowledge, is measured as a continuous variable that reflects a consumer's level of direct and indirect experiences with the brand (Alba & Hutchinson, 1987). Several studies have examined brand familiarity's impact on brand attitude, for example Machleit, Allen and Madden (1993), Laroche, Kim and Zhou (1996) and Kent and Allen (1994). In the Machleit et al. (1993) a seven point, three item semantic differential scale was used with the items unfamiliar/familiar; experienced/inexperienced and knowledgeable/not knowledgeable. However, the authors (Machleit, et al., 1993) did not report on the origin of the scale, the validity or reliability. In the Machleit, et al. (1993) study the researchers used the mean, median and mode as indicators of brand familiarity. Kent and Allen (1994) used the same scale as Machleit et al. (1993) and report the origin of the scale as Alba and Hutchinson (1987). Kent and Allen (1994) used the three item 7-point differential scale summarised in Table 6.6 below and reported an alpha exceeding .85 (reliability) and $p < .001$ (validity). The mean per item measurement was used to indicate the different levels of brand familiarity.

Table 6.6: Brand familiarity

1	Familiar/Unfamiliar
2	Experienced/Inexperienced
3	Knowledgeable/Not knowledgeable

The Cronbach alpha for brand familiarity scale was 0.90 which means the scale is internally consistent. The data resulting from the brand familiarity scale is therefore an excellent basis for decision-making (Cortina, 1993).

DESCENDANT TO BRAND ATTITUDE: BRAND LOYALTY

Service and product categories that are 'transformational'-based are significantly and positively related to brand affect while products that are 'informational'-based are significantly but negatively related to brand affect. Brand trust and brand affect contributes to purchase loyalty and attitudinal loyalty. Purchase loyalty and attitudinal loyalty are linking variables in the chain of effects that result in brand performance, as evidenced by market share and relative price. Purchase loyalty leads to greater market share and attitudinal loyalty leads to higher relative price (Chaudhuri & Holbrook, 2001). Brand loyalty has also been recognised as a key mediating variable (Morgan & Hunt, 1994).

The scale used to measure 'brand loyalty' in this study was originally developed by Jacoby and Chestnut (1978) and duplicated by Chaudhuri and Holbrook (2001) as part of a bigger model that investigated the chain effects from brand trust and brand affect to brand performance and the role of brand loyalty. The Chaudhuri and Holbrook (2001) scale is a four-item 7-point Likert style scale with a reported coefficient alpha of 0.90 for purchase loyalty and 0.83 for attitudinal loyalty. They authors Chaudhuri and Holbrook (2001) also reported evidence of discriminate validity for the model they tested. Scores are averaged across responses to arrive at a single score for brand loyalty.

Table 6.7: Brand loyalty

Purchase loyalty	
1	"I will buy this brand the next time I buy [product name]
2	"I intent to keep purchasing this brand"
Attitudinal loyalty	
1	"I am committed to this brand"
2	"I would be willing to pay a higher price for this brand over other brands"

The scale is very reliable and internally consistent with a Cronbach alpha of 0.90 (Cortina, 1993).

6.5.2 Sample

The sampling process generally consists of defining the target population; determining the sample frame; selecting a sampling procedure; and determining the sample size sources (Churchill & Iacobucci, 2005; Tustin, et al., 2005).

The target population of interest was users or potential users of the Momentum, City Lodge, First National Bank and Nando's trademarks/brands. The users or potential trademark/brand users were above the age of 30, male or female, individuals who resided in the Republic of South Africa (at the time of the survey) and who are either busy with MBA studies or are in professional and/or managerial positions. The parameters of the target population imply that users or potential users must have or considered obtaining or purchasing life insurance, banking services, hospitality services or fast food products. Young adolescents and adults were excluded from the target population as they were most probably not users or potential users of at least two (insurance, hospitality) of the selected trademarks/brands. The target population is not overly restrictive as respondents were relatively easy to contact. The population was thus convenient and appropriate to sample.

As with the study conducted by Kim (2010, p. 53) no representative list of the population exists to serve as sample frame. It is therefore impossible to draw a random sample from the population and therefore necessary to identify "...an appropriate accessible population that would be classified as a subset of this target population and then sample from this subset". The sample frame consisted of 1 241 current and recently graduated MBA students who studied between 2009 and 2013 at a graduate business school situated in

the Western Cape. The MBA students surveyed included students who studied full-time, part time and certain parts (modular) of the academic year. The majority of the MBA students occupy managerial and/or professional positions as is required for obtaining an MBA qualification. These students represented a proportion of the broader population of interest to which the results of the study could be generalised (Blair & Zinkhan, 2006). The MBA graduate students represented the target market of the selected well-known trademarks/brands and therefore conclusions can be drawn from the appropriate population (Loyd, Kern, & Thompson, 2005). Aronson, Wilson and Brewer (1998) have remarked that "...the vast majority of psychological research produced in journals by researchers at universities is collected in university laboratories". Podsakoff and Dalton (1987) observed that "...the participant population is nearly exclusively comprised of college undergraduates" (Loyd, et al., 2005, p. 10). However, Loyd et al. (2005) states that business schools have also started using students as research participants to fill the growing demand for research participants. For example, within an organisational behaviour environment using MBA students may add external validity to the research because of their organisational background (Loyd, et al., 2005). In researching the negative effects of high trust and individual autonomy in self-managing teams, MBA students have also been used as research participants (Langfred, 2004). A further sample of research subjects (2 200) that matched the MBA students' demographic profile was also surveyed. The second list of research participants was bought from a direct marketing agency and individuals on the list matched the demographics of the MBA students. The research participants surveyed were over the age of 30 years, included male and female subjects, were in possession of an undergraduate degree and/or occupied a managerial and/or professional position.

The sampling procedure used was thus convenience sampling as the sample consisted of MBA students and individuals in managerial and/or professional positions. Even though the sample was convenient because it consisted of students and a direct marketing survey list, care was taken to ensure research participants were sufficiently homogeneous. Budgetary considerations and practical constraints prohibited surveying a truly random sample of the target population. However, convenience samples hold certain advantages. Convenient samples are desirable for studying relationships because they eliminate extraneous variation and serve the purpose of controlling sampling differences (internal threat to validity) or for intensifying the ration of explained to unexplained variation in results (Blair & Zinkhan, 2006). Convenience samples where students are surveyed have

been used in a number of PhD studies (Kim, 2010; Westberg, 2004). Furthermore, Aaker et al. (2001) also remarks in this regard that information should never be evaluated absolutely, but in the context of a decision. If information is evaluated contextually, the two cautions inherent to convenience sampling, namely personal judgment in the selection process and the impossibility of placing bounds on the precision of the research estimates (sampling error), is compensated for (Churchill & Iacobucci, 2005).

The study surveyed 12 independent groups to investigate the effect of trademark/brand tarnishing/blurring on customer-based brand equity. The sample size of each of the 12 groups should at least contain 30 test units (Tustin, et al., 2005). A sample size of 30 or larger will usually yield the benefits of the central limit theorem (Westberg, 2004). A total of 3 441 individuals were surveyed and 412 completed the questionnaires. Table 6.15 below shows the 12 exposure groups and the number of units (respondents) who completed the questionnaires for each exposure group. The research software used in this study, Qualtrics (Snow, 2012) randomly assigned respondents to one of 12 possible exposure groups and closed questionnaires when a sufficient number of responses (30) for each group was received. The software did not capture uncompleted questionnaires and thus ensured that the appropriate number of responses was obtained.

Table 6.8: Sample size of individual trademark/brand groups

Groups		Denotation	n
EG_1	Momentum Undiluted (Baseline)	$O_{M, H, In, U}$	33
EG_2	Momentum Tarnish	$O_{M, H, In, T}$	36
EG_3	Momentum Blur	$O_{M, H, In, B}$	32
EG_4	City Lodge Undiluted (Baseline)	$O_{CL, H, Tr, U}$	30
EG_5	City Lodge Tarnish	$O_{CL, H, Tr, T}$	33
EG_6	City Lodge Blur	$O_{CL, H, Tr, B}$	34
EG_7	FNB Undiluted (Baseline)	$O_{FNB, L, In, U}$	36
EG_8	FNB Tarnish	$O_{FNB, L, In, T}$	39
EG_9	FNB Blur	$O_{FNB, L, In, B}$	32
EG_{10}	Nando's Undiluted (Baseline)	$O_{N, L, Tr, U}$	36
EG_{11}	Nando's Tarnish	$O_{N, L, Tr, T}$	39
EG_{12}	Nando's Blur	$O_{N, L, Tr, B}$	32

6.5.3 Data collection method

Primary data was collected with online questionnaires. Reliability of each dependent variable was demonstrated with sufficiently high Cronbach alphas. Validity is discussed below in more detail. Research participants were recruited by email and completed the self-administered questionnaires online. Collecting data using online questionnaires hold many advantages (Saunders, et al., 2003). Individuals recruited via emails are usually computer literate which implies that answers may be of a better quality compared to respondents who are illiterate. The researcher can be relatively confident that the participant who completes the questionnaire will be the person in most instances whose email address was used, indicating that the respondent complies with the sample parameters. The likelihood that a respondent's answer will be distorted is low as the respondent completes the questionnaire in relative isolation as answering emails is not usually a social activity. An online questionnaire also makes it possible to contact a large sample which compensates for low response rates. The current research used five images per questionnaire and the time in which respondents reacted was recorded. Recording response latency is only possible with a computer program, which was used in this study. Questions were closed-ended and not complex and the survey was inexpensive to set up. Lastly, the researcher played no role in respondents' completion of the questionnaire, making the data collection completely objective. The software program used to administer the questionnaires also automated data input, preventing data capturing inaccuracies.

The 12 questionnaires used to collect the raw data are presented in Appendix G. Research participants were recruited with an email that provided the study's background and explained that participation was voluntary. The recruitment email explained the time it would take to complete the questionnaire and the rewards for participation. Confidentiality was guaranteed and research participants were requested to contact the researcher if they had any questions. The research participant then clicked on a link to start the questionnaire. The study was introduced and consent requested from the participant to confirm participation was voluntary and that the research participant was informed of risks (none) and benefits of participation. The research commenced (Question 1) with a test image to familiarise the research participant with the accessibility (response latency) measure conducted later in the questionnaire (Berger & Mitchell, 1989; Kim, 2010) Research participants were requested to indicate whether they liked or disliked the 'Metropolitan' trademark/brand by clicking on one of the two options.

The questionnaire presented an image of a trademark/brand, for example the Momentum trademark/brand that was tarnished. The research participant was requested to click on the area of the trademark/brand that he/she liked most (Question 2). This strategy was used to force the respondent to contemplate the trademark/brand image for a period of time in order to familiarise themselves with the trademark/brand. The respondent was then asked to indicate on a 7-point scale how he/she feels (affect) and thinks (cognition) about the original undiluted trademark/brand (Question 3). All subsequent questions in the questionnaire were asked in respect of the original undiluted trademark/brand and research participants needed to click on their choice. The next question (Question 4) asked the respondent to evaluate a number of statements on regarding trademark/brand attitude valence (11-point scale). Questions 5 to 9 asked questions (11-point scale) in respect of the stability of trademark/brand attitude. Attitude accessibility was measured next with three trademarks/brands (Questions 10; 11; 12) where one of the trademarks/brands was the trademark/brand under investigation and the other two were control trademarks/brands to check any for response bias. Research respondents were asked to indicate whether they liked or disliked the three trademarks/brands. Their response times were recorded by the software program. The next three questions (Questions 13; 14; 15) measured the purchase intention of the research participants on a seven point scale. Questions 16, 17 and 18 addressed the respondent's familiarity with the trademark/brand on a seven point scale while the last question (Question 19) measured trademark/brand loyalty with a four item seven point scale. The next section of the

questionnaire asked respondents to type in their age, indicate their gender, race and nationality. When the questionnaire was completed, the respondent simply closed the questionnaire which then was automatically forwarded to a Qualtrics data bank stored the data. Data collection was collected between 13 May and 10 June 2013. The overall response rate to the questionnaires was 12 %.

6.5.4 Ethical considerations

The researcher requested approval from the Research Ethics Committee: Human Research (Humanities) on 25 February 2013. Ethical approval was granted on 23 April 2013 (Protocol # HS 916/2013) subject to standard stipulations. The University of Stellenbosch Business School granted permission on 25 April 2013, as per stipulations. Standard stipulations were followed during the research, namely consent from participants, voluntary participation, anonymity of responses and rewards granted (Appendix H).

6.5.5 Pilot test

The purpose of a pilot test is firstly to refine the questionnaire to ensure that respondents will not experience problems in answering the questionnaire and that there are no problems in recording the data. Secondly, initial validity and reliability of data can be determined (Saunders, et al., 2003). The questionnaires were submitted to an expert to comment on the representativeness and suitability of the questions. The expert was satisfied that these requirements were met and that the questionnaires were structured correctly. The primary concern was the correct online administration of the questionnaires. First, the exposure to trademark/brand images was central to the study. It was important that trademark/brand images appeared on the screen before respondents' exercised a choice (like/dislike) and that Qualtrics recorded the response time (attitude accessibility). Secondly, to ensure respondents completed a question before proceeding to the next question. Qualtrics had to be set up in such a way that it alerted respondents of uncompleted questions and would only move to the next question on full completion of the current question.

All 12 questionnaires were tested by three respondents, after which some amendments were made to the questionnaires, relating primarily to the speed with which the trademark/brand images loaded (respondents could respond to questions before the trademark/brand images were completely downloaded) and preventing respondents from proceeding with the questionnaire without completing all previous questions. The 12

questionnaires, amended to display complete trademark/brand images before respondents could respond and forcing respondents to answer all questions before proceeding with the questionnaire, were tested again by three new respondents and the data captured by the software program examined to determine if it was in the correct format. Some final changes were made to question formulation and standardisation before the 12 questionnaires were again completed by three new respondents. After three pilot iterations the 12 questionnaires were deemed suitable to use in the main study. The feedback from the pilot study indicated that the questionnaire took between 10 and 15 minutes to complete, had clear instructions and questions, and was easy to complete.

6.5.6 Validity of experiment

According to Aaker (2001), there are internal as well as external threats to validity. The internal validity of the experiment depends on the extent to which competing explanations for the results are avoided. External validity refers to the extent that the causal inferences can be generalised from the experimental environment to the environment of the decision maker. Eight different classes of extraneous variables are identified that can be a threat to internal validity if not controlled. The existence of events external to the experiment that could affect the responses of the research participants (history) could not be identified. Maturation of the research participants was not applicable as the experiment was a once-off questionnaire. Concomitantly, testing and instrumentation could also be discarded as potential threats. Research participants were not selected based on any scores (statistical regression) and also did not vary in any relevant way from the population being studied (selection bias). The software did not record responses of research participants who did not complete the questionnaires and dropped out during data collection. Lastly, there is no evidence that the selection-maturation interaction effect could be mistaken for the experimental variables. With regards to external validity, reactive or interaction effect of testing are not applicable as the same research respondents were not used for pre-tests and actual data collection. Research participants were randomly selected and were actual or potential trademark/brand users that were randomly assigned to experimental variables. It can thus be argued that the interaction effect of selection biases and the experimental variable were not an external threat to validity. Research participants were not exposed to the experimental variables in non-experimental settings (reactive effects of experimental arrangements) as the experimental variables were simulations based on actual trademarks/brands. Lastly, research respondents were not exposed to multiple treatments

and therefore the external threat to validity posed by multiple treatment interference does not apply.

6.6 SUMMARY

This study used a multi-level factorial experiment to investigate if the tarnishing/blurring of a trademark/brand influenced customer-based brand equity and if so, to what extent. The factorial experiment consisted of three levels, namely dilution, type of decision and type of motivation. Four trademarks/brands, falling into one of four categories, were left undiluted, tarnished or blurred. Each category of trademark/brand referred to the type of decision consumers make in choosing brands, namely high or low involvement, and their type of motivation, namely informational or transformational. Each of the four trademarks/brands selected for treatment was well-known and respondents were consumers or users or potential consumers or users of the trademark/brand. In total, 12 questionnaires were formulated and potential respondents were recruited via email to complete one of the questionnaires. The questionnaires contained scales that measured customer-based brand equity as represented by brand attitude, familiarity and loyalty. The sample was relatively large and convenient for reasons explained. An online survey tool, Qualtrics, was used to recruit respondents and capture data. The survey tool was also set up to ensure that each of the 12 questionnaires was completed by at least 30 respondents to ensure statistical significance. The main study was preceded by an extensive pilot study with three iterations, ethical clearance was obtained and the validity of the experiment ensured.

Chapter 7 analyses the data generated from the above experiment.

CHAPTER 7
EMPIRICAL RESULTS

7.1 INTRODUCTION

The purpose of the study is to investigate the nature and effect of trademark tarnishing (making the reputation of the trademark/brand less favourable) and blurring (making the character of the trademark/brand less distinct) on customer-based brand equity. Customer-based brand equity was conceptualised in Chapter 5 as consisting of seven elements: brand familiarity as precursor to the central construct brand attitude and brand loyalty as successor. Brand attitude was conceptualised as consisting of five sub-components: affect (consumer feelings about a brand), cognition (consumer thoughts about a brand), attitude valence and stability (the strength of consumer thoughts and feelings), attitude accessibility (the accessibility of thoughts and feelings) and purchase intention (consumer intentions about a brand).

In Chapter 7 the empirical results of the study are reported. The chapter starts with a justification of the data analysis methods used to analyse the data. The data is then analysed according to a particular structure. The structure consists of seven tables and each table represents a dependent variable. Each of the six research hypotheses with various sub-hypotheses are discussed in each of the seven tables. This methodology is followed because the study investigated the influence of three experimental factors (independent variables) on seven different components of customer-based brand equity (dependent variables). The chapter concludes with a summary of the research findings in a table format for simple reference.

7.2 DATA ANALYSIS METHODS

The study was designed as a 3 x 2 x 2 multi-factor experiment that used an electronic survey instrument (Qualtrics) to collect data using 12 separate questionnaires. The effect of trademark tarnishing and dilution on customer-based brand equity was measured by conceptualising customer-based brand equity as consisting of three components. Brand attitude is the first and primary component with five sub-components (affect, cognition, attitude valence and stability, attitude accessibility, purchase intention). The second component precedes brand attitude, namely brand familiarity, and the third component succeeds brand attitude, namely brand loyalty. The Cronbach alpha coefficient was

utilised to test for internal consistency in six of the seven dependent variables, namely affect; cognition; strength; purchase intention; familiarity; and loyalty. An alpha level of 0.70 is recommended as minimum acceptable standard for demonstrating internal consistency (Kim, 2010) and was met for all six scales that tested effect.

The statistical technique used to analyse data should be guided by purpose of the research question (the requirements of the hypothesis) and the number of dependent and independent variables. Research questions one to four addressed the question whether trademark tarnishing and blurring respectively has an effect on each customer-based brand equity component of the amalgamation of all trademarks/brands surveyed. Research question two addressed the question whether trademark tarnishing had an effect on each customer-based brand equity component respectively of high involvement/informational; high involvement/transformational; low involvement/informational; and low involvement/transformational trademarks/brands. Similarly, research question three addressed the question whether trademark blurring had an effect on each customer-based brand equity component respectively of high involvement/informational; high involvement/transformational; low involvement/informational; and low involvement/transformational trademarks/brands. In research question four, the influence trademark tarnishing and blurring had on high involvement/informational; high involvement/transformational; low involvement/informational; and low involvement/transformational trademarks/brands respectively were compared within the specific type of involvement (high/low) and type of decision (informational/transformational) groups, also in respect of each component of customer-based brand equity. The fifth research question compared the relative effects of trademark tarnishing on different trademarks/brands for each component of customer-based brand equity. Similarly, the sixth research question compared the relative effects of trademark blurring on different trademarks/brands for each component of customer-based brand equity. The data analysis technique used to answer research questions one to four was the ANOVA and the Fisher's Least Square Difference (LSD) tests. The data analysis technique used to answer research questions five and six was Mann-Whitney U test.

7.2.1 ANOVA F-test and Fisher's LSD test: Hypotheses 1 to 4

A factorial design is an experiment where more than one factor is manipulated. In this study, the effect of three factors (type of dilution; type of decision; type of motivation) with different levels on customer-based brand equity was examined. Because the interaction of

the factors and levels were considered simultaneously, three factors were combined for 12 experimental groups, each factor is studied in different combinations, data from each respondent was independent and was normally distributed (Westberg, 2004), ANOVA is used as data analysis technique (Churchill & Iacobucci, 2005). ANOVA makes it possible to determine whether mean dependent variable scores obtained in the experimental conditions differ significantly from each other. This assessment is made by calculating how much variation in the dependent variable scores is attributable to differences between the scores and comparing this with the error term that is attributable to the variation in the dependent variable scores within each experimental condition. In essence, ANOVA explains what proportion of variation in the dependent variable (affect, cognition, attitude valence and stability, attitude accessibility, purchase intention, brand familiarity, brand loyalty) can be attributed to the manipulation of the experimental variables (type of dilution; type of decision; type of motivation). Rutherford (2001, p. 5) summarises ANOVA as "...a particular type of regression analysis that employs quantitative predictors to act as categorical predictors".

In this study, ANOVA was used to answer research question one to four. The first research question considered whether trademark tarnishing and blurring had an effect on individual components (dependent variables) of customer-based brand equity. However, the question was posed in respect of all, not individual, trademarks/brands. For research questions two, three and four, a post hoc test, Fisher's Least Significant Difference (LSD) test was used. In research questions two to four, the effect of trademark tarnishing and blurring on individual components (dependent variables) of customer-based brand equity were compared according to experimental factors of individual trademarks/brands. Post-hoc tests are used when the researcher needs information on three or more means and information on the differences among the means are needed to provide information on the differences between the means. Fisher's Least Significant Difference (LSD) test explored pair-wise comparisons of means comprising a factor using the equivalent of multiple t-tests (Rutherford, 2001). The study used ANOVA and not MANOVA because the aim was to identify or isolate the effect of trademark/brand dilution on individual components of customer-based brand equity not the interaction between components as a result of trademark/brand dilution.

ANOVA could however not be used in analysing the data to address research question five and six. There was uncertainty as to whether the data was normally distributed and

corrections for the baseline were made before analysis was executed. This was done because research questions five and six compared the relative influence of trademark tarnishing and blurring (independent variables) on components (dependent variables) of customer-based brand equity. The Mann-Whitney U test was used to analyse the data to address the last two research questions.

7.2.2 Mann-Whitney U: Hypotheses 5 and 6

The objective of Hypotheses 5 and 6 was to compare the relative effects of trademark tarnishing and blurring on customer-based brand equity of individual trademarks/brands. The Mann-Whitney U test is used to test the characteristics of two populations without referring to population means. This is done by comparing the two populations and testing whether the population locations differ. The test is used when the normality requirement of normally-distributed data necessary to perform the equal variances t-test is violated and the samples tested are independent (Keller & Warrack, 2003). The baseline mean was subtracted from every observation in the trademark tarnishing and blurring groups to allow for baseline differences.

Software, SPSS (IBM SPSS Statistics 20), was used to analyse the data for all six research questions.

Table 7.1 below sets out the references used in the data analysis tables.

Table 7.1: Reference table for abbreviations

Abbreviation	Reference
BL	Baseline (Undiluted)
T	Tarnishing
B	Blurring
M	Momentum trademark/brand
CL	City Lodge trademark/brand
FNB	First National Bank trademark/brand
N	Nando's trademark/brand
H	High involvement decision
L	Low involvement decision
In	Informational motivation
Tr	Transformational motivation
	H_0 rejected at 90% confidence level, weak evidence

	H_0 rejected at 95% confidence level, strong evidence
	H_0 rejected at 99% confidence level, very strong evidence

The order in which the data was analysed is: affect; cognition; attitude valence and stability; purchase intention; attitude accessibility; brand familiarity and brand loyalty. Each dependent variable is represented by a separate table where the six hypotheses are discussed. Table 7.2 discusses the effect of trademark tarnishing and blurring on affect. In Table 7.9 the effect of trademark tarnishing and blurring on cognition is discussed. Table 7.16 discusses the effect of trademark tarnishing and blurring on attitude valence and strength while Table 7.23 relates to purchase intention. In Table 7.30 the effect of trademark tarnishing and blurring on attitude accessibility is discussed, while Table 7.37 deals with brand familiarity and Table 7.44 with brand loyalty. Each dependent variable table references two graphs, four ANOVA tables and two Mann-Whitney U test tables.

7.3 THE EFFECT OF TARNISHING AND BLURRING ON AFFECT AS COMPONENT OF CUSTOMER-BASED BRAND EQUITY

Table 7.2: The effect of tarnishing and blurring on affect as component of customer-based brand equity

Hypothesis	Description	p value	Analysis	α	Decision	Reference
1	**Individual treatments (BL; T; B) vs. Combined trademarks/brands (M; CL; FNB; N)**					Figure 7.1 Table 7.3 Table 7.4
H_0^1: $\mu_{BL} = \mu_T = \mu_B$ H_a^1: $\mu_{BL} \neq \mu_T \neq \mu_B$	BL vs. T vs. B	0,05328	<	0,10	Reject H_0^1	Table 7.3 Table 7.4
H_0^{1a}: $\mu_{BL} = \mu_T$ H_a^{1a}: $\mu_{BL} \neq \mu_T$	BL vs. T	0,393420	>	0,10	Accept H_0^{1a}	Cell 1; 2 Column (1; (2)
H_0^{1b}: $\mu_{BL} = \mu_B$ H_a^{1b}: $\mu_{BL} \neq \mu_B$	BL vs. B	0,275272	>	0,10	Accept H_0^{1b}	Cell 1; 3 Column (1); (3)
H_0^{1c}: $\mu_T = \mu_B$ H_a^{1c}: $\mu_T \neq \mu_B$	T vs. B	0,050576	<	0,10	Reject H_0^{1c}	Cell 2; 3 Colum (2); (3)
Interpretation H^1	There is weak evidence at a 90% confidence level that suggests tarnishing and blurring had an effect on all trademarks/brands as far as affect is concerned. There is no evidence that suggests tarnishing had an effect on all trademarks/brands as far as affect is concerned. There is also no evidence that suggests blurring had an effect on all trademarks/brands as far as affect is concerned. There is weak evidence at a 90% confidence level that suggests tarnishing and blurring had a different effect on all trademarks/brands as far as affect is concerned. Tarnishing made affect less positive while blurring made affect more positive for all trademarks/brands.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
2 to 4	**Individual trademarks/brands (M; CL; FNB; N) vs. Individual treatments (BL; T; B)**					Table 7.5
H_0^2; H_0^3; H_0^4	M; CL; FNB; N vs. BL; T; B	0,02027	<	0,05	Reject H_0^2; H_0^3; H_0^4	Table 7.5
Interpretation H^2; H^3; H^4	There is strong evidence at a 95% confidence level that suggests tarnishing and blurring had an effect on individual trademarks/brands (M; CL; FNB; N) and that the effect of tarnishing and blurring respectively was different, as far as affect is concerned.					
2	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Tarnishing (T)**					Figure 7.2 Table 7.5 Table 7.6
H_0^{2a}: $\mu_{M,BL} = \mu_{M,T}$ H_a^{2a}: $\mu_{M,BL} \neq \mu_{M,T}$	Momentum (H/In) BL vs. T	0,094826	<	0,10	Reject H_0^{2a}	Cell 1; 2 Column (1); (2)
Interpretation H^{2a}	There is weak evidence at a 90% confidence level that suggests tarnishing had an effect on the high involvement/informational (M) trademark/brand as far as affect is concerned, making affect less positive.					
H_0^{2b}: $\mu_{CL,BL} = \mu_{CL,T}$ H_a^{2b}: $\mu_{CL,BL} \neq \mu_{CL,T}$	City Lodge (H/Tr) BL vs. T	0,844967	>	0,10	Accept H_0^{2b}	Cell 7; 8 Column(7); (8)
Interpretation H^{2b}	There is no evidence that suggests tarnishing had an effect on the high involvement/transformational (CL) trademark/brand as far as affect is concerned.					
H_0^{2c}: $\mu_{FNB,BL} = \mu_{FNB,T}$ H_a^{2c}: $\mu_{FNB,BL} \neq \mu_{FNB,T}$	FNB (L/In) BL vs. T	0,158319	>	0,10	Accept H_0^{2c}	Cell 4; 5 Column (4); (5)
Interpretation H^{2c}	There is no evidence that suggests tarnishing had an effect on the low involvement/informational (FNB) trademark/brand as far as affect is concerned.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_0^{2d}: $\mu_{N,BL} = \mu_{N,T}$ H_a^{2d}: $\mu_{N,BL} \neq \mu_{N,T}$	Nando's (L/Tr) BL vs. T	0,218933	>	0,10	Accept H_0^{2d}	Cell 10; 11 Column (10); (11)
Interpretation H^{2d}	There is no evidence that suggests tarnishing had an effect on the low involvement/transformational (N) trademark/brand as far as affect is concerned.					
3	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Blurring (B)**					Figure 7.2 Table 7.5 Table 7.6
H_0^{3a}: $\mu_{M,BL} = \mu_{M,B}$ H_a^{3a}: $\mu_{M,BL} \neq \mu_{M,B}$	Momentum (H/In) BL vs. B	0,435727	>	0,05	Accept H_0^{3a}	Cell 1; 3 Column (1); (3)
Interpretation H^{3a}	There is no evidence that suggests blurring had an effect on the high involvement/informational (M) trademark/brand as far as affect is concerned.					
H_0^{3b}: $\mu_{CL,BL} = \mu_{CL,B}$ H_a^{3a}: $\mu_{CL,BL} \neq \mu_{CL,B}$	City Lodge (H/Tr) BL vs. B	0,458198	>	0,05	Accept H_0^{3b}	Cell 7; 9 Column (7); (9)
Interpretation H^{3a}	There is no evidence that suggests blurring had an effect on the high involvement/transformational (CL) trademark/brand as far as affect is concerned.					
H_0^{3c}: $\mu_{FNB,BL} = \mu_{FNB,B}$ H_a^{3c}: $\mu_{FNB,BL} \neq \mu_{FNB,B}$	FNB (L/In) BL vs. B	0,010905	<	0,05	Reject H_0^{3c}	Cell 4; 6 Column (4); (6)
Interpretation H^{3c}	There is strong evidence at a 95% confidence level that suggests blurring had an effect on the low involvement/informational (FNB) trademark/brand as far as affect is concerned, making affect more positive.					
H_0^{3d}: $\mu_{N,BL} = \mu_{N,B}$ H_a^{3d}: $\mu_{N,BL} \neq \mu_{N,B}$	Nando's (L/Tr) BL vs. B	0,036786	<	0,05	Reject H_0^{3d}	Cell 10;12 Column (10); (12)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
Interpretation H^{3d}	There is strong evidence at a 95% confidence level that suggests blurring had an effect on the low involvement/transformational (N) trademark/brand as far as affect is concerned, making affect more positive.					
4	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Blurring (B)**					Figure 7.2 Table 7.5 Table 7.6
H_0^{4a}: $\mu_{M,T} = \mu_{M,B}$ H_a^{4a}: $\mu_{M,T} \neq \mu_{M,B}$	Momentum (H/In) T vs. B	0,387981	>	0,05	Accept H_0^{4a}	Cell 2; 3 Column (2); (3)
Interpretation H^{4a}	There is no evidence that suggests the effects of tarnishing and blurring are different for the high involvement/informational (M) trademark/brand as far as affect is concerned.					
H_0^{4b}: $\mu_{CL,T} = \mu_{CL,B}$ H_a^{4b}: $\mu_{CL,T} \neq \mu_{CL,B}$	City Lodge (H/Tr) T vs. B	0,576371	>	0,05	Accept H_0^{4b}	Cell 8; 9 Column (8); (9)
Interpretation H^{4b}	There is no evidence that suggests the effects of tarnishing and blurring are different for the high involvement/transformational (CL) trademark/brand as far as affect is concerned.					
H_0^{4c}: $\mu_{FNB,T} = \mu_{FNB,B}$ H_a^{4c}: $\mu_{FNB,T} \neq \mu_{FNB,B}$	FNB (L/In) T vs. B	0,217296	>	0,05	Accept H_0^{4c}	Cell 5; 6 Column (5); (6)
Interpretation H^{4c}	There is no evidence that suggests the effects of tarnishing and blurring are different for the low involvement/informational (FNB) trademark/brand as far as affect is concerned.					
H_0^{4d}: $\mu_{N,T} = \mu_{N,B}$ H_a^{4d}: $\mu_{N,T} \neq \mu_{N,B}$	Nando's (L/Tr) T vs. B	0,000958	<	0,01	Reject H_0^{4d}	Cell 11; 12 Column (11); (12)
Interpretation H^{4d}	There is very strong evidence at a 99% confidence level that suggests the effects of tarnishing and blurring are different for the low involvement/transformational trademark/brand as far as affect is concerned. Tarnishing					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	made affect less positive while blurring made affect more positive.					
5	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Tarnishing (T)**					Table 7.7 Table 7.52
H_0^5: $\mu_{M,T} = \mu_{CL,T} = \mu_{FNB,T} = \mu_{N,T}$ H_a^5: $\mu_{M,T} \neq \mu_{CL,T} \neq \mu_{FNB,T} \neq \mu_{N,T}$	T vs. T	0,018	<	0,05	Reject H_0^5	Table 7.7 Table 7.52
Interpretation H^5	There is strong evidence at a 95% confidence level that suggests tarnishing had different effects on individual trademarks/brands (M; CL; FNB; N) as far as affect is concerned.					
H_0^{5a}: $\mu_{M,T} = \mu_{CL,T}$ H_a^{5a}: $\mu_{M,T} \neq \mu_{CL,T}$	Momentum (H/In) T vs. City Lodge (H/Tr) T	p value = 0,098789/2 = 0,049399 < 0,05			Reject H_0^{5a}	Cell (a)
Interpretation H^{5a}	There is strong evidence at a 95% confidence level that suggests tarnishing had different effects on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as affect is concerned. Tarnishing made affect more negative for the high involvement/informational (M) trademark/brand compared to the high involvement/transformational (CL) trademark/brand.					
H_0^{5b}: $\mu_{M,T} = \mu_{FNB,T}$ H_a^{5b}: $\mu_{M,T} \neq \mu_{FNB,T}$	Momentum (H/In) T vs. FNB (L/In) T	p value = 0,003994/2 = 0,001997 < 0,01			Reject H_0^{5b}	Cell (b)
Interpretation H^{5b}	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/informational (FNB) trademarks/brands as far as affect is concerned. Tarnishing had a negative effect on affect for the high involvement/informational (M)					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	trademark/brand and a positive effect on affect for the low involvement/informational (FNB) trademark/brand.					
H_0^{5c}: $\mu_{M,T} = \mu_{N,T}$ H_a^{5c}: $\mu_{M,T} \neq \mu_{N,T}$	Momentum (H/In) T vs. Nando's (L/Tr) T	p value = 0,247146/2 = 0,123573 > 0,05			Accept H_0^{5c}	Cell (c)
Interpretation H^{5c}	There is no evidence that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/transformational (N) trademarks/brands as far as affect is concerned.					
H_0^{5d}: $\mu_{FNB,T} = \mu_{N,T}$ H_a^{5d}: $\mu_{FNB,T} \neq \mu_{N,T}$	FNB (L/In) T vs. Nando's (L/Tr) T	p value = 0,023959/2 = 0,01198 < 0,05			Reject H_0^{5d}	Cell (d)
Interpretation H^{5d}	There is strong evidence at a 95% confidence level that suggests tarnishing had different effects on the low involvement/informational (FNB) and the low involvement/transformational (N) trademarks/brands as far as affect is concerned. Tarnishing had a positive effect on affect for the low involvement/informational (FNB) trademark/brand but a negative effect on affect for the low involvement/transformational (N) trademark/brand.					
H_0^{5e}: $\mu_{CL,T} = \mu_{N,T}$ H_a^{5e}: $\mu_{CL,T} \neq \mu_{N,T}$	City Lodge (H/Tr) T vs. Nando's (L/Tr) T	p value = 0,405284/2 = 0,202642 > 0,05			Accept H_0^{5e}	Cell (e)
Interpretation H^{5e}	There is no evidence that suggests tarnishing had a different effect on the high involvement/transformational (CL) and the low involvement/transformational (N) trademarks/brands as far as affect is concerned.					
H_0^{5f}: $\mu_{FNB,T} = \mu_{CL,T}$ H_a^{5f}: $\mu_{FNB,T} \neq \mu_{CL,T}$	FNB (L/In) T vs. CL (H/Tr) T	p value = 0,183489/2 = 0,091745 < 0,10			Reject H_0^{5f}	Cell (f)
Interpretation H^{5f}	There is weak evidence at a 90% confidence level that suggests tarnishing had a different effect on the low involvement/informational (FNB) and the high involvement/transformational (CL) trademarks/brands as far as affect is concerned. Tarnishing had a positive effect on affect for the low involvement/informational (FNB) trademark/brand but a negative effect on affect for the high involvement/transformational (CL) trademark/brand.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
6	**Individual trademark/brand Blurring (B) vs. Individual trademark/brand Blurring (B)**					Table 7.8 Table 7.52
H_0^6: $\mu_{M,B} = \mu_{CL,B} = \mu_{FNB,B} = \mu_{N,B}$ H_a^6: $\mu_{M,B} \neq \mu_{CL,B} \neq \mu_{FNB,B} \neq \mu_{N,B}$	B vs.B	0,0009	<	0,01	Reject H_0^6	Table 7.8 Table 7.52
Interpretation H^6	There is very strong evidence at a 99% confidence level that suggests blurring had different effects on individual trademarks/brands (M; CL; FNB; N) as far as affect is concerned.					
H_0^{6a}: $\mu_{M,B} = \mu_{CL,B}$ H_a^{6a}: $\mu_{M,B} \neq \mu_{CL,B}$	Momentum (H/In) B vs. City Lodge (H/Tr) B	p = 0,784083/2 = 0,3920415 > 0,05			Accept H_0^{6a}	Cell (a)
Interpretation H^{6a}	There is no evidence that suggests blurring had a different effect on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as affect is concerned.					
H_0^{6b}: $\mu_{M,B} = \mu_{FNB,B}$ H_a^{6b}: $\mu_{M,B} \neq \mu_{FNB,B}$	Momentum (H/In) B vs. FNB (L/In) B	p = 0,000852/2 = 0,000426 < 0,01			Reject H_0^{6b}	Cell (b)
Interpretation H^{6b}	There is very strong evidence at a 99% confidence level that suggests blurring had a different effect on the high involvement/informational (M) and the low involvement/informational (FNB) trademarks/brands as far as affect is concerned. Blurring had a negative effect on affect for the high involvement/informational (M) trademark/brand but a positive effect on affect for the low involvement/informational (FNB) trademark/brand.					
H_0^{6c}: $\mu_{M,B} = \mu_{N,B}$	Momentum (H/In) B	p = 0,002563/2 = 0,0012815 < 0,01			Reject H_0^{6c}	Cell (c)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_a^{6c}: $\mu_{M,B} \neq \mu_{N,B}$	vs. Nando's (L/Tr) B					
Interpretation H^{6c}	There is very strong evidence at a 99% confidence level that suggests blurring had a different effect on the high involvement/informational (M) and the low involvement/transformational (N) trademarks/brands as far as affect is concerned. Blurring had a negative effect on affect for the high involvement/informational (M) trademark/brand but a positive effect on affect for the low involvement/transformational (N) trademark/brand.					
H_0^{6d}: $\mu_{FNB,B} = \mu_{N,B}$ H_a^{6d}: $\mu_{FNB,B} \neq \mu_{N,B}$	FNB (L/In) B vs. Nando's (L/Tr) B	$p = 0,624915/2 = 0,3124575 > 0,05$			Accept H_0^{6d}	Cell (d)
Interpretation H^{6d}	There is no evidence that suggests blurring had a different effect on the low involvement/informational (FNB) and the low involvement/transformational (N) trademark/brand as far as affect is concerned.					
H_0^{6e}: $\mu_{CL,B} = \mu_{N,B}$ H_a^{6e}: $\mu_{CL,B} \neq \mu_{N,B}$	City Lodge (H/Tr) B vs. Nando's (L/Tr) B	$p = 0,018643/2 = 0,0093215 < 0,01$			Reject H_0^{6e}	Cell (e)
Interpretation H^{6e}	There is very strong evidence at a 99% confidence level that suggests blurring had a different effect on the high involvement/transformational (CL) and the low involvement/transformational (N) trademarks/brands as far as affect is concerned. Blurring had a negative effect on affect for the high involvement/transformational (CL) trademark/brand but a positive effect on affect for the low involvement/transformational (N) trademark/brand.					
H_0^{6f}: $\mu_{FNB,B} = \mu_{CL,B}$ H_a^{6f}: $\mu_{FNB,B} \neq \mu_{CL,B}$	FNB (L/In) B vs. City Lodge (H/Tr) B	$p = 0,004751/2 = 0,0023755 < 0,01$			Reject H_0^{6f}	Cell (f)
Interpretation H^{6f}	There is very strong evidence at a 99% confidence level that suggests blurring had a different effect on the low involvement/informational (FNB) and the high involvement/transformational (CL) trademarks/brands as far as affect is concerned. Blurring had a affect positive effect on affect for the low involvement/informational (FNB) trademark/brand but a negative effect on affect for the high involvement/transformational (CL) trademark/brand.					

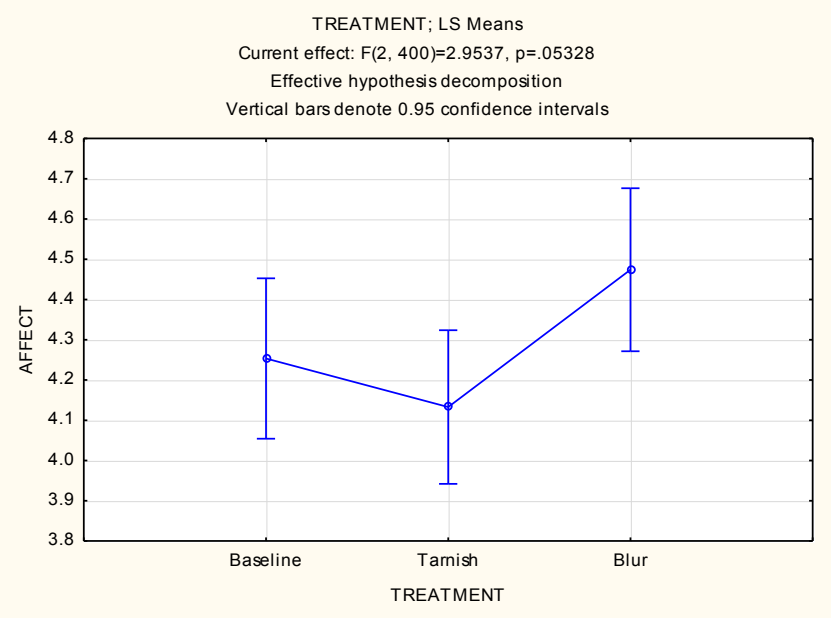

Figure 7.1: The effect of tarnishing and blurring on affect for combined trademarks/brands: confidence approach

Table 7.3: The effect of tarnishing and blurring on affect for combined trademarks/brands: confidence approach

Cell No.	TREATMENT	AFFECT Mean	AFFECT Std.Err.	AFFECT -95.00%	AFFECT +95.00%	N
	TREATMENT; LS Means (Spreadsheet495 in resultate.st Current effect: F(2, 400)=2.9537, p=.05328 Effective hypothesis decomposition					
1	Baseline	4.25352(	0.10133{	4.05429{	4.45274	135
2	Tarnish	4.13293-	0.09707(	3.94210:	4.32376{	147
3	Blur	4.47392(	0.10301:	4.27140{	4.67643:	130

Table 7.4: The effect of tarnishing and blurring on affect for combined trademarks/brands: significance approach

Cell No.	TREATMENT	{1} 4.2981	{2} 4.1786	{3} 4.4558
	LSD test; variable AFFECT (Spreadsheet495 in res Probabilities for Post Hoc Tests Error: Between MSE = 1.3785, df = 400.00			
1	Baseline		0.393420	0.275272
2	Tarnish	0.393420		0.050576
3	Blur	0.275272	0.050576	

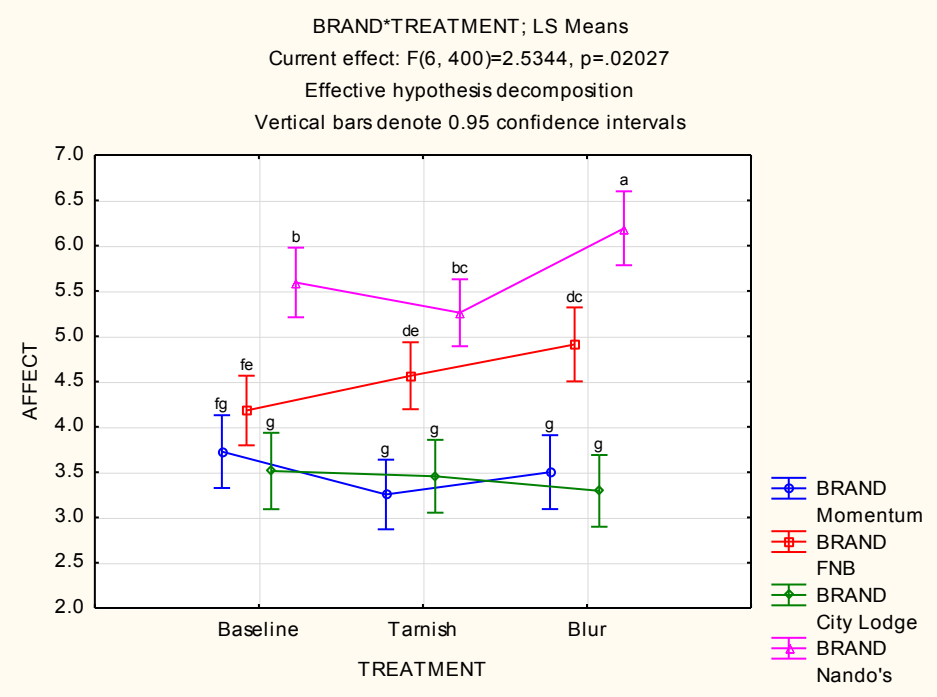

Figure 7.2: The effect of tarnishing and blurring on affect for individual trademarks/brands: confidence approach

Table 7.5: The effect of tarnishing and blurring on affect for individual trademarks/brands: confidence approach

BRAND*TREATMENT; LS Means (Spreadsheet495 in resultate.stw)
Current effect: F(6, 400)=2.5344, p=.02027
Effective hypothesis decomposition

Cell No.	BRAND	TREATMENT	AFFECT Mean	AFFECT Std.Err.	AFFECT -95.00%	AFFECT +95.00%	N
1	Momentum	Baseline	3.72727	0.204387	3.325467	4.129079	33
2	Momentum	Tarnish	3.25347	0.195685	2.868772	3.638172	36
3	Momentum	Blur	3.50000	0.207556	3.091964	3.908036	32
4	FNB	Baseline	4.18055	0.195685	3.795855	4.565256	36
5	FNB	Tarnish	4.56410	0.188008	4.194495	4.933710	39
6	FNB	Blur	4.91015	0.207556	4.502120	5.318192	32
7	City Lodge	Baseline	3.51250	0.214362	3.091082	3.933918	30
8	City Lodge	Tarnish	3.45454	0.204387	3.052739	3.856352	33
9	City Lodge	Blur	3.29411	0.201358	2.898265	3.689971	34
10	Nando's	Baseline	5.59375	0.195685	5.209050	5.978450	36
11	Nando's	Tarnish	5.25961	0.188008	4.890008	5.629223	39
12	Nando's	Blur	6.19140	0.207556	5.783370	6.599442	32

Table 7.6: The influence of tarnishing and blurring on affect for individual trademarks/brands: significance approach

Cell No.	LSD test; variable AFFECT (Spreadsheet495 in resultate.stw) Probabilities for Post Hoc Tests Error: Between MSE = 1.3785, df = 400.00 BRAND	TREATMENT	{1} 3.7273	{2} 3.2535	{3} 3.5000	{4} 4.1806	{5} 4.5641	{6} 4.9102	{7} 3.5125	{8} 3.4545	{9} 3.2941	{10} 5.5937	{11} 5.2596	{12} 6.1914
1	Momentum	Baseline		0.094826	0.435727	0.109960	0.002748	0.000059	0.468795	0.345973	0.131907	0.000000	0.000000	0.000000
2	Momentum	Tarnish	0.094826		0.387981	0.000885	0.000002	0.000000	0.372696	0.477743	0.884974	0.000000	0.000000	0.000000
3	Momentum	Blur	0.435727	0.387981		0.017509	0.000167	0.000002	0.966605	0.876078	0.476908	0.000000	0.000000	0.000000
4	FNB	Baseline	0.109960	0.000885	0.017509		0.158319	0.010905	0.021867	0.010658	0.001715	0.000001	0.000083	0.000000
5	FNB	Tarnish	0.002748	0.000002	0.000167	0.158319		0.217296	0.000257	0.000077	0.000005	0.000171	0.009237	0.000000
6	FNB	Blur	0.000059	0.000000	0.000002	0.010905	0.217296		0.000004	0.000001	0.000000	0.017015	0.212813	0.000016
7	City Lodge	Baseline	0.468795	0.372696	0.966605	0.021867	0.000257	0.000004		0.844967	0.458198	0.000000	0.000000	0.000000
8	City Lodge	Tarnish	0.345973	0.477743	0.876078	0.010658	0.000077	0.000001	0.844967		0.576371	0.000000	0.000000	0.000000
9	City Lodge	Blur	0.131907	0.884974	0.476908	0.001715	0.000005	0.000000	0.458198	0.576371		0.000000	0.000000	0.000000
10	Nando's	Baseline	0.000000	0.000000	0.000000	0.000001	0.000171	0.017015	0.000000	0.000000	0.000000		0.218933	0.036786
11	Nando's	Tarnish	0.000000	0.000000	0.000000	0.000083	0.009237	0.212813	0.000000	0.000000	0.000000	0.218933		0.000958
12	Nando's	Blur	0.000000	0.000000	0.000000	0.000000	0.000000	0.000016	0.000000	0.000000	0.000000	0.036786	0.000958	

Table 7.7: The relative influence of tarnishing on affect for different trademarks/brands

The relative influence of tarnishing on affect for all trademarks/brands (H_5)

Depend.: AFFECT	Kruskal-Wallis ANOVA by Ranks; AFFECT (Spreadsheet1) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 147) =10.07119 p =.0180			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	36	2147.000	59.63889
FNB	102	39	3499.000	89.71795
City Lodge	103	33	2536.000	76.84848
Nando's	104	39	2696.000	69.12821

(a)The relative influence of tarnishing on affect for H/In vs. H/Tr trademarks/brands (H_{5a})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N Momentum
AFFECT	1122.000	1293.000	456.0000	-1.65172	0.098593	-1.65229	0.098476	36

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
AFFECT	33	0.098798

(b)The relative influence of tarnishing on affect for H/In vs. L/In trademarks/brands (H_{5b})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted	p-value	Valid N Momentum
AFFECT	1099.000	1751.000	433.0000	-2.84737	0.004408	-2.84924	0.004383	36

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N FNB	2*1sided exact p
AFFECT	39	0.003994

(c)The relative influence of tarnishing on affect for H/In vs. L/Tr trademarks/brands (H_{5c})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N Momentum
AFFECT	1258.000	1592.000	592.0000	-1.16122	0.245553	-1.16191	0.245271	36

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
AFFECT	39	0.247146

(d)The relative influence of tarnishing on affect for L/In vs. L/Tr trademarks/brands (H_{5d})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N FNB
AFFECT	1766.000	1315.000	535.0000	2.248511	0.024544	2.250390	0.024425	39

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
AFFECT	39	0.023959

(e)The relative influence of tarnishing on affect for H/Tr vs. L/Tr trademarks/brands (H_{5e})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N City Lodge
AFFECT	1279.000	1349.000	569.0000	0.836318	0.402976	0.836843	0.402681	33

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
AFFECT	39	0.405284

(f)The relative influence of tarnishing on affect for L/In vs. H/Tr trademarks/brands (H_{5f})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N FNB
AFFECT	1542.000	1086.000	525.0000	1.333589	0.182340	1.334512	0.182037	39

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
AFFECT	33	0.183489

Table 7.8: The relative influence of blurring on affect for different trademarks/brands

The relative influence of blurring on affect for all trademarks/brands (H_6)

Depend.: AFFECT	Kruskal-Wallis ANOVA by Ranks; AFFECT (Spreadsheet55) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 131) =16.49667 p =.0009			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	32	1663.000	51.96875
FNB	102	32	2612.000	81.62500
City Lodge	103	34	1817.000	53.44118
Nando's	104	33	2554.000	77.39394

(a)The relative influence of blurring on affect for H/In vs. H/Tr trademarks/brands (H_{6a})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N Momentum
AFFECT	1094.000	1117.000	522.0000	0.275853	0.782661	0.275985	0.782560	32

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
AFFECT	34	0.784083

(b)The relative influence of blurring on affect for H/In vs. L/In trademarks/brands (H_{6b})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted	p-value	Valid N Momentum
AFFECT	796.0000	1284.000	268.0000	-3.26951	0.001077	-3.27097	0.001072	32

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000	
	Valid N FNB	2*1sided exact p
AFFECT	32	0.000852

(c)The relative influence of blurring on affect for H/In vs. L/Tr trademarks/brands (H_{6c})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N Momentum
AFFECT	829.0000	1316.000	301.0000	-2.97204	0.002958	-2.97709	0.002910	32

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
AFFECT	33	0.002563

(d)The relative influence of blurring on affect for L/In vs. L/Tr trademarks/brands (H_{6d})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N FNB
AFFECT	1094.000	1051.000	490.0000	0.492060	0.622677	0.492868	0.622106	32

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
AFFECT	33	0.624915

(e)The relative influence of blurring on affect for H/Tr vs. L/Tr trademarks/brands (H_{6e})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N City Lodge
AFFECT	969.0000	1309.000	374.0000	-2.33894	0.019339	-2.34261	0.019150	34

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
AFFECT	33	0.018643

(f)The relative influence of blurring on affect for L/In vs. H/Tr trademarks/brands (H_{6f})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N FNB
AFFECT	1290.000	921.0000	326.0000	2.790603	0.005261	2.791798	0.005242	32

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
AFFECT	34	0.004751

7.4 THE EFFECT OF TARNISHING AND BLURRING ON COGNITION AS COMPONENT OF CUSTOMER-BASED BRAND EQUITY

Table 7.9: The effect of tarnishing and blurring on cognition as component of customer-based brand equity

Hypothesis	Description	p value	Analysis	α	Decision	Reference
1	**Individual treatments (BL; T; B) vs. Combined trademarks/brands (M; CL; FNB; N)**					Figure 7.3 Table 7.10 Table 7.11
H_0^1: $\mu_{BL} = \mu_T = \mu_B$ H_a^1: $\mu_{BL} \neq \mu_T \neq \mu_B$	BL vs. T vs. B	0,00149	<	0,01	Reject H_0^1	Table 7.10 Table 7.11
H_0^{1a}: $\mu_{BL} = \mu_T$ H_a^{1a}: $\mu_{BL} \neq \mu_T$	BL vs. T	0,001795	<	0,01	Reject H_0^{1a}	Cell 1; 2 Column (1); (2)
H_0^{1b}: $\mu_{BL} = \mu_B$ H_a^{1b}: $\mu_{BL} \neq \mu_B$	BL vs. B	0,652243	>	0,05	Accept H_0^{1b}	Cell 1; 3 Column (1); (3)
H_0^{1c}: $\mu_T = \mu_B$ H_a^{1c}: $\mu_T \neq \mu_B$	T vs. B	0,008298	<	0,01	Reject H_0^{1c}	Cell 2; 3 Column (2); (3)
Interpretation H^1	There is very strong evidence at a 99% confidence level that suggests tarnishing and blurring had an effect on all trademarks/brands as far as cognition is concerned. There is very strong evidence at a 99% confidence level that suggests tarnishing had an effect on all trademarks/brands as far as cognition is concerned. Tarnishing made cognition less positive for all trademarks/brands. There is no evidence that suggests blurring had an effect on all trademarks/brands as far as cognition is concerned. There is very strong evidence at a 99% confidence level that suggests tarnishing and blurring had a different effect on all trademarks/brands as far as cognition is					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	concerned. Tarnishing made cognition less positive while blurring had no effect on cognition for all trademarks/brands.					
2 to 4	**Individual trademarks/brands (M; CL; FNB; N) vs. Individual treatments (BL; T; B)**					Table 7.12
H_0^2; H_0^3; H_0^4	M; CL; FNB; N vs. BL; T; B	0,08141	<	0,10	Reject H_0^2; H_0^3; H_0^4	Table 7.12
Interpretation H^2; H^3; H^4	There is weak evidence at a 90% confidence level that suggests tarnishing and blurring had an effect on individual trademarks/brands (M; CL; FNB; N) and that the effect of tarnishing and blurring respectively was different, as far as cognition is concerned.					
2	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Tarnishing (T)**					Figure 7.4 Table 7.12 Table 7.13
H_0^{2a}: $\mu_{M,BL} = \mu_{M,T}$ H_a^{2a}: $\mu_{M,BL} \neq \mu_{M,T}$	Momentum (H/In) BL vs. T	0,089726	<	0,10	Reject H_0^{2a}	Cell 1; 2 Column (1);(2)
Interpretation H^{2a}	There is weak evidence at a 90% confidence level that suggests tarnishing had an effect on the high involvement/informational (M) trademark/brand as far as cognition is concerned, making cognition less positive.					
H_0^{2b}: $\mu_{CL,BL} = \mu_{CL,T}$ H_a^{2b}: $\mu_{CL,BL} \neq \mu_{CL,T}$	City Lodge (H/Tr) BL vs. T	0,000175	<	0,01	Reject H_0^{2b}	Cell 7; 8 Column (7); (8)
Interpretation H^{2b}	There is very strong evidence at a 99% confidence level that suggests tarnishing had an effect on the high involvement/transformational (CL) trademark/brand as far as cognition is concerned, making cognition less positive.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_0^{2c}: $\mu_{FNB,BL} = \mu_{FNB,\ T}$ H_a^{2c}: $\mu_{FNB,BL} \neq \mu_{FNB,\ T}$	FNB (L/In) BL vs. T	0,578807	>	0,10	Accept H_0^{2c}	Cell 4; 5 Column (4); (5)
Interpretation H^{2c}	There is no evidence that suggests tarnishing had an effect on the low involvement/informational (FNB) trademark/brand as far as cognition is concerned.					
H_0^{2d}: $\mu_{N,BL} = \mu_{N,\ T}$ H_a^{2d}: $\mu_{N,BL} \neq \mu_{N,\ T}$	Nando's (L/Tr) BL vs. T	0,134222	>	0,10	Accept H_0^{2d}	Cell 10; 11 Column (10); (11)
Interpretation H^{2d}	There is no evidence that suggests tarnishing had an effect on the low involvement/transformational (N) trademark/brand as far as cognition is concerned.					
3	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Blurring (B)**					Figure 7.4 Table 7.12 Table 7.13
H_0^{3a}: $\mu_{M,BL} = \mu_{M,\ B}$ H_a^{3a}: $\mu_{M,BL} \neq \mu_{M,\ B}$	Momentum (H/In) BL vs. B	0,418584	>	0,10	Accept H_0^{3a}	Cell 1; 3 Column (1); (3)
Interpretation H^{3a}	There is no evidence that suggests blurring had an effect on the high involvement/informational (M) trademark/brand as far as cognition is concerned.					
H_0^{3b}: $\mu_{CL,BL} = \mu_{CL,\ B}$ H_a^{3a}: $\mu_{CL,BL} \neq \mu_{CL,\ B}$	City Lodge (H/Tr) BL vs. B	0,145524	>	0,10	Accept H_0^{3b}	Cell 7; 9 Column (7); (9)
Interpretation H^{3a}	There is no evidence that suggests blurring had an effect on the high involvement/transformational (CL) trademark/brand as far as cognition is concerned.					
H_0^{3c}: $\mu_{FNB,BL} = \mu_{FNB,\ B}$ H_a^{3c}: $\mu_{FNB,BL} \neq \mu_{FNB,\ B}$	FNB (L/In) BL vs. B	0,090998	<	0,10	Reject H_0^{3c}	Cell 4; 6 Column (4); (6)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
Interpretation H^{3c}	There is weak evidence at a 90% confidence level that suggests blurring had an effect on the low involvement/informational (FNB) trademark/brand as far as cognition is concerned, making cognition more positive.					
H_0^{3d}: $\mu_{N,BL} = \mu_{N,B}$ H_a^{3d}: $\mu_{N,BL} \neq \mu_{N,B}$	Nando's (L/Tr) BL vs. B	0,891808	>	0,10	Accept H_0^{3d}	Cell 10; 12 Column (10); (12)
Interpretation H^{3d}	There is no evidence that suggests blurring had an effect on the low involvement/transformational (N) trademark/brand as far as cognition is concerned.					
4	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Blurring (B)**					Figure 7.4 Table 7.12 Table 7.13
H_0^{4a}: $\mu_{M,T} = \mu_{M,B}$ H_a^{4a}: $\mu_{M,T} \neq \mu_{M,B}$	Momentum (H/In) T vs. B	0,390073	>	0,10	Accept H_0^{4a}	Cell 2; 3 Column (2); (3)
Interpretation H^{4a}	There is no evidence that suggests the effects of tarnishing and blurring are different for the high involvement/informational (M) trademark/brand as far as cognition is concerned.					
H_0^{4b}: $\mu_{CL,T} = \mu_{CL,B}$ H_a^{4b}: $\mu_{CL,T} \neq \mu_{CL,B}$	City Lodge (H/Tr) T vs. B	0,016149	<	0,05	Reject H_0^{4b}	Cell 8: 9 Column (8); (9)
Interpretation H^{4b}	There is strong evidence at a 95% confidence level that suggests the effects of tarnishing and blurring are different for the high involvement/transformational (CL) trademark/brand as far as cognition is concerned. Tarnishing and blurring had a negative effect on affect, but the effect of tarnishing on affect was more severe compared to the effect of blurring.					
H_0^{4c}: $\mu_{FNB,T} = \mu_{FNB,B}$	FNB (L/In) T vs. B	0,235772	>	0,10	Accept H_0^{4c}	Cell 5; 6

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_a^{4c}: $\mu_{FNB,T} \neq \mu_{FNB,B}$						Column (5); (6)
Interpretation H^{4c}	There is no evidence that suggests the effect of tarnishing and blurring are different for the low involvement/informational (FNB) trademark/brand as far as cognition is concerned.					
H_0^{4d}: $\mu_{N,T} = \mu_{N,B}$ H_a^{4d}: $\mu_{N,T} \neq \mu_{N,B}$	Nando's (L/Tr) T vs. B	0,188620	>	0,10	Accept H_0^{4d}	Cell 11; 12 Column (11); (12)
Interpretation H^{4d}	There is no evidence that suggests the effect of tarnishing and blurring are different for the low involvement/transformational (N) trademarks/brands as far as cognition is concerned.					
5	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Tarnishing (T)**					Table 7.14 Table 7.52
H_0^5: $\mu_{M,T} = \mu_{CL,T} = \mu_{FNB,T} = \mu_{N,T}$ H_a^5: $\mu_{M,T} \neq \mu_{CL,T} \neq \mu_{FNB,T} \neq \mu_{N,T}$	T vs. T	0,0010	<	0,01	Reject H_0^5	Table 7.14 Table 7.52
Interpretation H^5	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on individual trademarks/brands (M; CL; FNB; N) as far as cognition is concerned.					
H_0^{5a}: $\mu_{M,T} = \mu_{CL,T}$ H_a^{5a}: $\mu_{M,T} \neq \mu_{CL,T}$	Momentum (H/In) T vs. City Lodge (H/Tr) T	p value = 0,045004/2 = 0,022502 < 0,05			Reject H_0^{5a}	Cell (a)
Interpretation H^{5a}	There is strong evidence at a 95% confidence level that suggests tarnishing had different effects on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as cognition is concerned. Tarnishing made cognition more negative for the high involvement/transformation (CL)					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	trademark/brand compared to the high involvement/informational (M) trademark/brand.					
H_0^{5b}: $\mu_{M,T} = \mu_{FNB,T}$ H_a^{5b}: $\mu_{M,T} \neq \mu_{FNB,T}$	Momentum (H/In) T vs. FNB (L/In) T	p value = 0,013903/2 = 0,006952 < 0,01			Reject H_0^{5b}	Cell (b)
Interpretation H^{5b}	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/informational (FNB) trademarks/brands as far as cognition is concerned. Tarnishing had a negative effect on cognition for the high involvement/informational (M) trademark/brand and a positive effect on cognition for the low involvement/informational (FNB) trademark/brand.					
H_0^{5c}: $\mu_{M,T} = \mu_{N,T}$ H_a^{5c}: $\mu_{M,T} \neq \mu_{N,T}$	Momentum (H/In) T vs. Nando's (L/Tr) T	p = 0,755795/2 = 0,377898 > 0,05			Accept H_0^{5c}	Cell (c)
Interpretation H^{5c}	There is no evidence that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/transformational (N) trademarks/brands as far as cognition is concerned.					
H_0^{5d}: $\mu_{FNB,T} = \mu_{N,T}$ H_a^{5d}: $\mu_{FNB,T} \neq \mu_{N,T}$	FNB (L/In) T vs. Nando's (L/Tr) T	p = 0,019830/2 = 0,009915 < 0,01			Reject H_0^{5d}	Cell (d)
Interpretation H^{5d}	There is strong evidence at a 95% confidence level that suggests tarnishing had different effects on the low involvement/informational (FNB) and the low involvement/transformational (N) trademarks/brands as far as cognition is concerned. Tarnishing had a positive effect on cognition for the low involvement/informational (FNB) trademark/brand but a negative effect on cognition for the low involvement/transformational (N) trademark/brand.					
H_0^{5e}: $\mu_{CL,T} = \mu_{N,T}$ H_a^{5e}: $\mu_{CL,T} \neq \mu_{N,T}$	City Lodge (H/Tr) T vs. Nando's (L/Tr) T	p = 0,033026/2 = 0,016513 < 0,05			Reject H_0^{5e}	Cell (e)
Interpretation H^{5e}	There is strong evidence at a 95% confidence level that suggests tarnishing had a different effect on the high					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	involvement/transformational (CL) and the low involvement/transformational (N) trademarks/brands as far as cognition is concerned. Tarnishing made cognition more negative for the high involvement/transformational (CL) trademark/brand compared to the low involvement/transformational (M) trademark/brand.					
H_0^{5f}: $\mu_{FNB,T} = \mu_{CL,T}$ H_a^{5f}: $\mu_{FNB,T} \neq \mu_{CL,T}$	FNB (L/In) T vs. CL (H/Tr) T	p = 0,000271/2 = 0,000136 < 0,01			Reject H_0^{5f}	Cell (d)
Interpretation H^{5f}	There is very strong evidence at a 99% confidence level that suggests tarnishing had a different effect on the low involvement/informational (FNB) and the high involvement/transformational (CL) trademarks/brands as far as cognition is concerned. Tarnishing had a positive effect on cognition for the low involvement/informational (FNB) trademark/brand but a negative effect on cognition for the high involvement/transformational (CL) trademark/brand.					
6	**Individual trademark/brand Blurring (B) vs. Individual trademark/brand Blurring (B)**					Table 7.15 Table 7.52
H_0^6: $\mu_{M,B} = \mu_{CL,B} = \mu_{FNB,B} = \mu_{N,B}$ H_a^6: $\mu_{M,B} \neq \mu_{CL,B} \neq \mu_{FNB,B} \neq \mu_{N,B}$	B vs. B	0,0062	<	0,01	Reject H_0^6	Table 7.15 Table 7.52
Interpretation H^6	There is very strong evidence at a 99% confidence level that suggests blurring had different effects on individual trademarks/brands (M; CL; FNB; N) as far as cognition is concerned.					
H_0^{6a}: $\mu_{M,B} = \mu_{CL,B}$ H_a^{6a}: $\mu_{M,B} \neq \mu_{CL,B}$	Momentum (H/In) B vs. City Lodge (H/Tr)	p = 0,410428/2 = 0,205214 > 0,05			Accept H_0^{6a}	Cell (a)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	B					
Interpretation H^{6a}	There is no evidence that suggests blurring had a different effect on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as cognition is concerned.					
H_0^{6b}: $\mu_{M,B} = \mu_{FNB,B}$ H_a^{6b}: $\mu_{M,B} \neq \mu_{FNB,B}$	Momentum (H/In) B vs. FNB (L/In) B	p = 0,009863/2 = 0,0049315 < 0,01			Reject H_0^{6b}	Cell (b)
Interpretation H^{6b}	There is very strong evidence at a 99% confidence level that suggests blurring had a different effect on the high involvement/informational (M) and the low involvement/transformational (FNB) trademarks/brands as far as cognition is concerned. Blurring had a negative effect on cognition for the high involvement/informational (M) trademark/brand and a positive effect on cognition for the low involvement/transformational trademark/brand.					
H_0^{6c}: $\mu_{M,B} = \mu_{N,B}$ H_a^{6c}: $\mu_{M,B} \neq \mu_{N,B}$	Momentum (H/In) B vs. Nando's (L/Tr) B	p = 0,799400/2 = 0,3997 > 0,05			Accept H_0^{6c}	Cell (c)
Interpretation H^{6c}	There is no evidence that suggests blurring had a different effect on the high involvement/informational (M) and the low involvement/transformational (N) trademarks/brands as far as cognition is concerned.					
H_0^{6d}: $\mu_{FNB,B} = \mu_{N,B}$ H_a^{6d}: $\mu_{FNB,B} \neq \mu_{N,B}$	FNB (L/In) B vs. Nando's (L/Tr) B	p = 0,006165/2 = 0,0030825 < 0,01			Reject H_0^{6d}	Cell (d)
Interpretation H^{6d}	There is very strong evidence at a 99% confidence level that suggests blurring had a different effect on the low involvement/informational (FNB) and the low involvement/transformational (N) trademarks/brands as far as cognition is concerned. Blurring had a positive effect on cognition for the low involvement/informational (FNB) trademark/brand and a negative effect on cognition for the low involvement/transformational (N) trademark/brand.					
H_0^{6e}: $\mu_{CL,B} = \mu_{N,B}$	City Lodge (H/Tr) B	p = 0,227824/2 = 0,113912 > 0,05			Accept H_0^{6e}	Cell (e)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_a^{6e}: $\mu_{CL,B} \neq \mu_{N,B}$	vs. Nando's (L/Tr) B					
Interpretation H^{6e}	There is no evidence that suggests blurring had a different effect on the high involvement/transformational (CL) and the low involvement/transformational (N) trademarks/brands as far as cognition is concerned.					
H_0^{6f}: $\mu_{FNB,B} = \mu_{CL,B}$ H_a^{6f}: $\mu_{FNB,B} \neq \mu_{CL,B}$	FNB (L/In) B vs. City Lodge (H/Tr) B	p = 0,002704/2 = 0,001352 < 0,01			Reject H_0^{6f}	Cell (f)
Interpretation H^{6f}	There is very strong evidence at a 99% confidence level that suggests blurring had a different effect on the low involvement/informational (FNB) and the high involvement/transformational (CL) trademarks/brands as far as cognition is concerned. Blurring had a positive effect on cognition for the low involvement/informational (FNB) trademark/brand and a negative effect on cognition for the high involvement/transformational (CL) trademark/brand.					

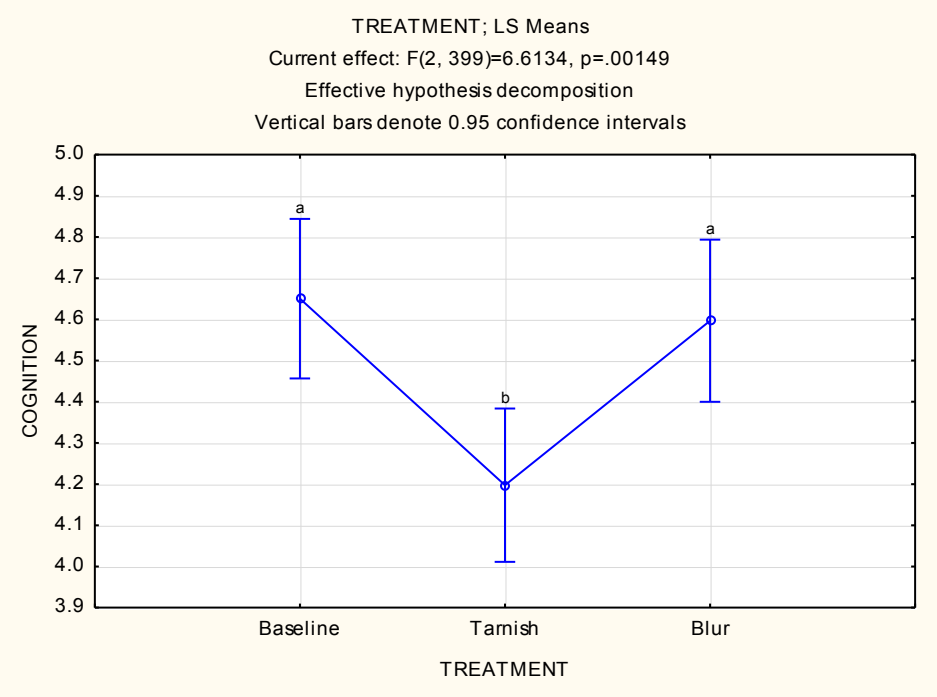

Figure 7.3: The effect of tarnishing and blurring on cognition for combined trademarks/brands: confidence approach

Table 7.10: The effect of tarnishing and blurring on cognition for combined trademarks/brands: confidence approach

Cell No.	TREATMENT	COGNITION Mean	COGNITION Std.Err.	COGNITION -95.00%	COGNITION +95.00%	N
TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(2, 399)=6.6134, p=.00149 Effective hypothesis decomposition						
1	Baseline	4.650189	0.098561	4.456426	4.843953	135
2	Tarnish	4.197353	0.094700	4.011179	4.383526	146
3	Blur	4.596622	0.100189	4.399659	4.793586	130

Table 7.11: The effect of tarnishing and blurring on cognition for combined trademarks/brands: significance approach

Cell No.	TREATMENT	{1} 4.6546	{2} 4.2260	{3} 4.5913
LSD test; variable COGNITION (Spreadsheet495 in Probabilities for Post Hoc Tests Error: Between MSE = 1.3040, df = 399.00				
1	Baseline		0.001795	0.652243
2	Tarnish	0.001795		0.008298
3	Blur	0.652243	0.008298	

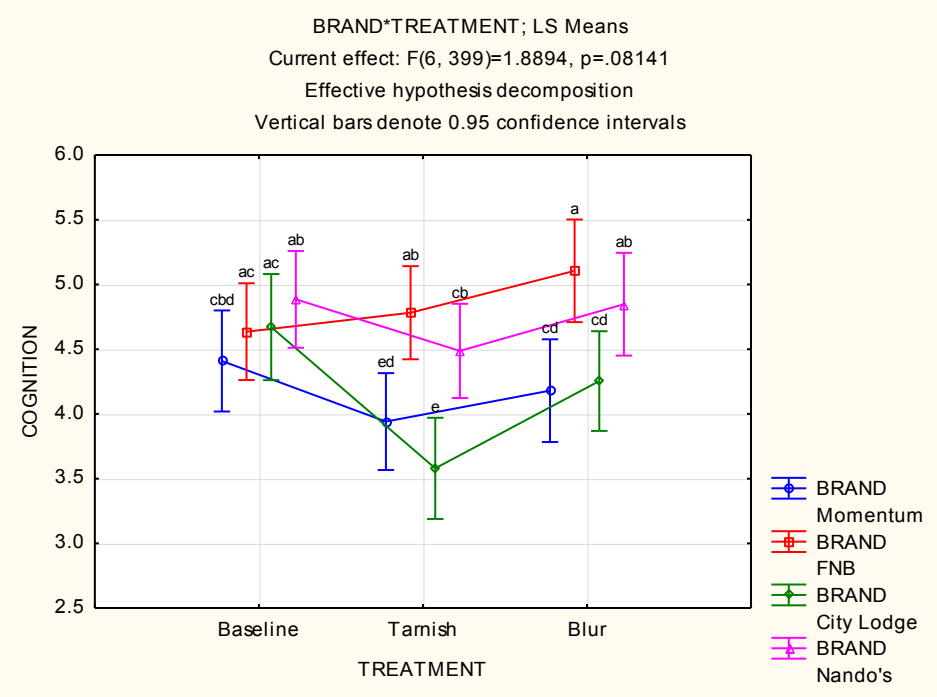

Figure 7.4: The effect of tarnishing and blurring on cognition for individual trademarks/brands: confidence approach

Table 7.12: The effect of tarnishing and blurring on cognition for individual trademarks/brands: confidence approach

Cell No.	BRAND	TREATMENT	COGNITION Mean	COGNITION Std.Err.	COGNITION -95.00%	COGNITION +95.00%	N
	BRAND*TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(6, 399)=1.8894, p=.08141 Effective hypothesis decomposition						
1	Momentum	Baseline	4.40909	0.19878	4.01829	4.79988	33
2	Momentum	Tarnish	3.94097	0.19032	3.56681	4.31513	36
3	Momentum	Blur	4.17968	0.20186	3.78283	4.57654	32
4	FNB	Baseline	4.63541	0.19032	4.26125	5.00957	36
5	FNB	Tarnish	4.78205	0.18285	4.42257	5.14153	39
6	FNB	Blur	5.10546	0.20186	4.70861	5.50232	32
7	City Lodge	Baseline	4.67083	0.20848	4.26096	5.08070	30
8	City Lodge	Tarnish	3.57954	0.19878	3.18874	3.97034	33
9	City Lodge	Blur	4.25367	0.19584	3.86867	4.63868	34
10	Nando's	Baseline	4.88541	0.19032	4.51125	5.25957	36
11	Nando's	Tarnish	4.48684	0.18524	4.12266	4.85102	38
12	Nando's	Blur	4.84765	0.20186	4.45080	5.24451	32

Table 7.13: The effect of tarnishing and blurring on cognition for individual trademarks/brands: significance approach

Cell No.	LSD test; variable COGNITION (Spreadsheet495 in resultate.stw) Probabilities for Post Hoc Tests Error: Between MSE = 1.3040, df = 399.00												
	BRAND	TREATMENT	{1} 4.4091	{2} 3.9410	{3} 4.1797	{4} 4.6354	{5} 4.7821	{6} 5.1055	{7} 4.6708	{8} 3.5795	{9} 4.2537	{10} 4.8854	{11} 4.4868	{12} 4.8477
1	Momentum	Baseline		0.089726	0.418584	0.411347	0.168099	0.014396	0.364100	0.003356	0.577879	0.084260	0.774915	0.122416
2	Momentum	Tarnish	0.089726		0.390073	0.010234	0.001552	0.000033	0.010078	0.189837	0.252863	0.000501	0.040500	0.001177
3	Momentum	Blur	0.418584	0.390073		0.101248	0.027564	0.001283	0.091345	0.034767	0.792633	0.011344	0.262930	0.019787
4	FNB	Baseline	0.411347	0.010234	0.101248		0.578807	0.090998	0.900222	0.000145	0.162926	0.353539	0.576195	0.444727
5	FNB	Tarnish	0.168099	0.001552	0.027564	0.578807		0.235772	0.688595	0.000011	0.049297	0.695533	0.257415	0.809783
6	FNB	Blur	0.014396	0.000033	0.001283	0.090998	0.235772		0.135002	0.000000	0.002617	0.428160	0.024491	0.367031
7	City Lodge	Baseline	0.364100	0.010078	0.091345	0.900222	0.688595	0.135002		0.000175	0.145524	0.447618	0.509819	0.542666
8	City Lodge	Tarnish	0.003356	0.189837	0.034767	0.000145	0.000011	0.000000	0.000175		0.016149	0.000003	0.000920	0.000010
9	City Lodge	Blur	0.577879	0.252863	0.792633	0.162926	0.049297	0.002617	0.145524	0.016149		0.021211	0.387588	0.035316
10	Nando's	Baseline	0.084260	0.000501	0.011344	0.353539	0.695533	0.428160	0.447618	0.000003	0.021211		0.134222	0.891808
11	Nando's	Tarnish	0.774915	0.040500	0.262930	0.576195	0.257415	0.024491	0.509819	0.000920	0.387588	0.134222		0.188620
12	Nando's	Blur	0.122416	0.001177	0.019787	0.444727	0.809783	0.367031	0.542666	0.000010	0.035316	0.891808	0.188620	

Table 7.14 : The relative influence of tarnishing on cognition for different trademarks/brands

The relative influence of tarnishing on cognition for all trademarks/brands (H_5)

Depend.: COGNITION	Kruskal-Wallis ANOVA by Ranks; COGNITION (Spreadsheet1) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 147) =16.24074 p =.0010			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	36	2570.000	71.38889
FNB	102	39	3664.500	93.96154
City Lodge	103	33	1771.000	53.66667
Nando's	104	39	2872.500	73.65385

(a)The relative influence of tarnishing on cognition for H/In vs. H/Tr trademarks/brands (H_{5a})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
COGNITION	1427.000	988.0000	427.0000	2.000081	0.045492	2.000922	0.045402

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N City Lodge	2*1sided exact p
COGNITION	36	33	0.045004

(b)The relative influence of tarnishing on cognition for H/In vs. L/In trademarks/brands (H_{5b})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted	p-value
COGNITION	1137.000	1713.000	471.0000	-2.44439	0.014510	-2.44526	0.014475

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N FNB	2*1sided exact p
COGNITION	36	39	0.013903

(c)The relative influence of tarnishing on cognition for H/In vs. L/Tr trademarks/brands (H_{5c})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
COGNITION	1338.000	1512.000	672.0000	-0.312840	0.754402	-0.312998	0.754282

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N Nando's	2*1sided exact p
COGNITION	36	39	0.755795

(d)The relative influence of tarnishing on cognition for L/In vs. L/Tr trademarks/brands (H_{5d})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N FNB
COGNITION	1772.500	1308.500	528.5000	2.313468	0.020698	2.315592	0.020581	39

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
COGNITION	39	0.019830

(e)The relative influence of tarnishing on cognition for H/Tr vs. L/Tr trademarks/brands (H_{5e})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
COGNITION	1016.000	1612.000	455.0000	-2.12470	0.033612	-2.12564	0.033534

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N City Lodge	Valid N Nando's	2*1sided exact p
COGNITION	33	39	0.033026

(f)The relative influence of tarnishing on cognition for L/In vs. H/Tr trademarks/brands (H_{5f})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N FNB
COGNITION	1739.000	889.0000	328.0000	3.560004	0.000371	3.560977	0.000370	39

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
COGNITION	33	0.000271

Table 7.15: The relative influence of blurring on cognition for different trademarks/brands

The relative influence of blurring on cognition for all trademarks/brands (H_6)

Depend.: COGNITION	Kruskal-Wallis ANOVA by Ranks; COGNITION (Spreadsheet55) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 131) =12.37089 p =.0062			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	32	1966.000	61.43750
FNB	102	32	2741.000	85.65625
City Lodge	103	34	1851.000	54.44118
Nando's	104	33	2088.000	63.27273

(a)The relative influence of blurring on cognition for H/In vs. H/Tr trademarks/brands (H_{6a})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
COGNITION	1137.000	1074.000	479.0000	0.827558	0.407921	0.827947	0.407701

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N City Lodge	2*1sided exact p
COGNITION	32	34	0.410428

(b)The relative influence of blurring on cognition for H/In vs. L/In trademarks/brands (H_{6b})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted	p-value
COGNITION	849.0000	1231.000	321.0000	-2.55787	0.010532	-2.55925	0.010490

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N FNB	2*1sided exact p
COGNITION	32	32	0.009863

(c)The relative influence of blurring on cognition for H/In vs. L/Tr trademarks/brands (H_{6c})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
COGNITION	1036.000	1109.000	508.0000	-0.255871	0.798051	-0.256019	0.797936

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N Nando's	2*1sided exact p
COGNITION	32	33	0.799400

(d)The relative influence of blurring on cognition for L/In vs. L/Tr trademarks/brands (H_{6d})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N FNB
COGNITION	1263.000	882.0000	321.0000	2.709610	0.006737	2.713556	0.006657	32

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
COGNITION	33	0.006165

(e)The relative influence of blurring on cognition for H/Tr vs. L/Tr trademarks/brands (H_{6e})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
COGNITION	1059.000	1219.000	464.0000	-1.21023	0.226192	-1.21103	0.225887

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000		
	Valid N City Lodge	Valid N Nando's	2*1sided exact p
COGNITION	34	33	0.227824

(f)The relative influence of blurring on cognition for L/In vs. H/Tr trademarks/brands (H_{6f})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N FNB
COGNITION	1303.000	908.0000	313.0000	2.957398	0.003103	2.959251	0.003084	32

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
COGNITION	34	0.002704

7.5 THE EFFECT OF TARNISHING AND BLURRING ON ATTITUDE VALENCE AND STABILITY AS COMPONENT OF CUSTOMER-BASED BRAND EQUITY

Table 7.16: The effect of tarnishing and blurring on attitude valence and stability as component of customer-based brand equity

Hypothesis	Description	p value	Analysis	α	Decision	Reference
1	Individual treatments (BL; T; B) vs. Combined trademarks/brands (M; CL; FNB; N)					Figure 7.5 Table 7.17 Table 7.18
H_0^1: $\mu_{BL} = \mu_T = \mu_B$ H_a^1: $\mu_{BL} \neq \mu_T \neq \mu_B$	BL vs. T vs. B	0,00302	<	0,01	Reject H_0^1	Table 7.17 Table 7.18
H_0^{1a}: $\mu_{BL} = \mu_T$ H_a^{1a}: $\mu_{BL} \neq \mu_T$	BL vs.T	0,011835	<	0,05	Reject H_0^{1a}	Cell 1; 2 Column (1); (2)
H_0^{1b}: $\mu_{BL} = \mu_B$ H_a^{1b}: $\mu_{BL} \neq \mu_B$	BL vs.B	0,714249	>	0,10	Accept H_0^{1b}	Cell 1; 3 Column (1); (3)
H_0^{1c}: $\mu_T = \mu_B$ H_a^{1c}: $\mu_T \neq \mu_B$	T vs.B	0,004155	<	0,01	Reject H_0^{1c}	Cell 2; 3 Column (2); (3)
Interpretation H^1	There is very strong evidence at a 99% confidence level that suggests tarnishing and blurring had an effect on all trademarks/brands as far as attitude valence and stability is concerned. There is strong evidence at a 95% confidence level that suggests tarnishing had an effect on all trademarks/brands as far as attitude valence and stability are concerned. Tarnishing made attitude valence and stability weaker for all trademarks/brands. There is no evidence that suggests blurring had an effect on all trademarks/brands as far as attitude valence and stability are concerned. There is very strong evidence at a 99% confidence level that suggests tarnishing and blurring had					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	different effects on all trademarks/brands as far as attitude valence and stability are concerned. Tarnishing made attitude valence and stability weaker while blurring had no effect on attitude valence and stability.					
2 to 4	**Individual trademarks/brands (M; CL; FNB; N) vs. Individual treatments (BL; T; B)**					Table 7.19
H_0^2; H_0^3; H_0^4	M; CL; FNB; N vs. BL; T; B	0,18583	>	0,10	Accept H_0^2; H_0^3; H_0^4	Table 7.19
Interpretation H^2; H^3; H^4	There is no evidence that tarnishing and blurring had an effect on individual trademarks/brands (M; CL; FNB; N) and that the effect or tarnishing and blurring respectively was different, as far as attitude valence and stability are concerned. However, because statistical evidence suggested that tarnishing and blurring had an effect on all trademarks/brands; that tarnishing had an effect on all trademarks/brands and that tarnishing and blurring had different effects on all trademarks/brands as far as attitude valence and stability are concerned, Hypotheses 2 to 4 are discussed below.					
2	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Tarnishing (T)**					Figure 7.6 Table 7.19 Table 7.20
H_0^{2a}: $\mu_{M,BL} = \mu_{M,T}$ H_a^{2a}: $\mu_{M,BL} \neq \mu_{M,T}$	Momentum (H/In) BL vs. T	0,076824	<	0,10	Reject H_0^{2a}	Cell 1;2 Column (1); (2)
Interpretation H^{2a}	There is weak evidence at a 90% confidence level that suggests tarnishing had an effect on the high involvement/informational (M) trademark/brand as far as attitude valence and stability are concerned. Tarnishing weakened attitude valence and stability for the high involvement/informational (M) trademark/brand.					
H_0^{2b}: $\mu_{CL,BL} = \mu_{CL,T}$ H_a^{2b}: $\mu_{CL,BL} \neq \mu_{CL,T}$	City Lodge (H/Tr) BL vs. T	0,007542	<	0,01	Reject H_0^{2b}	Cell 7; 8 Column (7); (8)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
Interpretation H^{2b}	There is very strong evidence at a 99% confidence level that suggests tarnishing had an effect on the high involvement/transformational (CL) trademark/brand as far as attitude valence and stability are concerned. Tarnishing weakened attitude valence and stability for the high involvement/transformational (CL) trademark/brand.					
H_0^{2c}: $\mu_{FNB,BL} = \mu_{FNB,T}$ H_a^{2c}: $\mu_{FNB,BL} \neq \mu_{FNB,T}$	FNB (L/In) BL vs. T	0,407804	>	0,10	Accept H_0^{2c}	Cell 4; 5 Column (4); (5)
Interpretation H^{2c}	There is no evidence that suggests tarnishing had an effect on the low involvement/informational (FNB) trademark/brand as far as attitude valence and stability are concerned.					
H_0^{2d}: $\mu_{N,BL} = \mu_{N,T}$ H_a^{2d}: $\mu_{N,BL} \neq \mu_{N,T}$	Nando's (L/Tr) BL vs. T	0,125641	>	0,10	Accept H_0^{2d}	Cell 10; 11 Column (10); (11)
Interpretation H^{2d}	There is no evidence that suggest tarnishing had an effect on the low involvement/transformational (N) trademark/brand as far as attitude valence and stability are concerned.					
3	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Blurring (B)**					Figure 7.6 Table 7.19 Table 7.20
Interpretation H^3	The four null hypotheses are all accepted as there is no evidence (p-values > 0,10) that suggests blurring had an effect on individual trademarks/brands (M; CL; FNB; N) as far as attitude valence and stability are concerned.					
4	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Blurring (B)**					Figure 7.6 Table 7.19 Table 7.20

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_0^{4a}: $\mu_{M,T} = \mu_{M,B}$ H_a^{4a}: $\mu_{M,T} \neq \mu_{M,B}$	Momentum (H/In) T vs. B	0,075738	<	0,10	Reject H_0^{4a}	Cell 2; 3 Column (2); (3)
Interpretation H^{4a}	There is weak statistical evidence at a 90% confidence level that suggests the effects of tarnishing and blurring are different for the high involvement/informational trademark/brand as far as attitude valence and stability are concerned. Tarnishing weakened attitude valence and stability while blurring had no effect on attitude valence and stability for the high involvement/informational (M) trademark/brand.					
H_0^{4b}: $\mu_{CL,T} = \mu_{CL,B}$ H_a^{4b}: $\mu_{CL,T} \neq \mu_{CL,B}$	City Lodge (H/Tr) T vs. B	0,137475	>	0,10	Accept H_0^{4b}	Cell 8; 9 Column (8); (9)
Interpretation H^{4b}	There is no evidence that suggests the effects of tarnishing and blurring are different for the high involvement/transformational trademark/brand as far as attitude valence and stability is concerned.					
H_0^{4c}: $\mu_{FNB,T} = \mu_{FNB,B}$ H_a^{4c}: $\mu_{FNB,T} \neq \mu_{FNB,B}$	FNB (L/In) T vs. B	0,588920	>	0,10	Accept H_0^{4c}	Cell 5; 6 Column (5); (6)
Interpretation H^{4c}	There is no evidence that suggests the effect of tarnishing and blurring are different for the high involvement/informational trademark/brand as far as attitude valence and stability are concerned.					
H_0^{4d}: $\mu_{N,T} = \mu_{N,B}$ H_a^{4d}: $\mu_{N,T} \neq \mu_{N,B}$	Nando's (L/Tr) T vs. B	0,011128	<	0,05	Reject H_0^{4d}	Cell 11; 12 Column (11); (12)
Interpretation H^{4d}	There is strong evidence at a 95% confidence level that suggests the effects of tarnishing and blurring are different for the low involvement/transformational trademark/brand as far as attitude valence and stability are concerned. Tarnishing weakened attitude valence and stability while blurring strengthened attitude valence and stability for the low involvement/transformational (N) trademark/brand.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
5	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Tarnishing (T)**					Table 7.21
H_0^5: $\mu_{M,T} = \mu_{CL,T} = \mu_{FNB,T} = \mu_{N,T}$ H_a^5: $\mu_{M,T} \neq \mu_{CL,T} \neq \mu_{FNB,T} \neq \mu_{N,T}$	T/T	0,0073	<	0,01	Reject H_0^5	Table 7.21
Interpretation H^5	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on individual trademarks/brands (M; CL; FNB; N) as far as attitude valence and stability is concerned.					
H_0^{5a}: $\mu_{M,T} = \mu_{CL,T}$ H_a^{5a}: $\mu_{M,T} \neq \mu_{CL,T}$	Momentum (H/In) T vs. City Lodge (H/Tr) T	p value = 0,295247/2 = 0,147624 > 0,10			Accept H_0^{5a}	Cell (a)
Interpretation H^{5a}	There is no evidence that suggests tarnishing had different effects on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as attitude valence and stability is concerned.					
H_0^{5b}: $\mu_{M,T} = \mu_{FNB,T}$ H_a^{5b}: $\mu_{M,T} \neq \mu_{FNB,T}$	Momentum (H/In) T vs. FNB (L/In) T	p value = 0,006245/2 = 0,003123 < 0,01			Reject H_0^{5b}	Cell (b)
Interpretation H^{5b}	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/informational (FNB) trademark/brand as far as attitude valence and stability are concerned. Tarnishing weakened attitude valence and stability for the high involvement/informational (M) trademark/brand and strengthened attitude valence and stability for the low involvement/informational (FNB) trademark/brand.					
H_0^{5c}: $\mu_{M,T} = \mu_{N,T}$	Momentum (H/In) T vs.	p value = 0,771882/2 = 0,385941 > 0,10			Accept H_0^{5c}	Cell (c)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_a^{5c}: $\mu_{M,T} \neq \mu_{N,T}$	Nando's (L/Tr) T					
Interpretation H^{5c}	There is no evidence that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/transformational (N) trademarks/brands as far as attitude valence and stability are concerned.					
H_0^{5d}: $\mu_{FNB,T} = \mu_{N,T}$ H_a^{5d}: $\mu_{FNB,T} \neq \mu_{N,T}$	FNB (L/In) T vs. Nando's (L/Tr) T	p value = 0,021517/2 = 0,010759 < 0,05			Reject H_0^{5d}	Cell (d)
Interpretation H^{5d}	There is strong evidence at a 95% confidence level that suggests tarnishing had different effects on the low involvement/informational (FNB) and the low involvement/transformational (N) trademarks/brands as far as attitude valence and stability concerned. Tarnishing strengthened attitude valence and stability for the low involvement/informational (FNB) trademark/brand and weakened attitude valence and stability for the low involvement/transformational (N) trademark/brand.					
H_0^{5e}: $\mu_{CL,T} = \mu_{N,T}$ H_a^{5e}: $\mu_{CL,T} \neq \mu_{N,T}$	City Lodge (H/Tr) T vs. Nando's (L/Tr) T	p value = 0,194966/2 = 0,097483 < 0,10			Reject H_0^{5e}	Cell (e)
Interpretation H^{5e}	There is weak evidence at a 90% confidence level that suggests tarnishing had different effects on the high involvement/transformational (CL) and the low involvement/transformational (N) trademarks/brands as far as attitude valence and stability are concerned. Tarnishing weakened attitude valence and stability more for the high involvement/informational (CL) trademark/brand compared to the low involvement/transformational (N) trademark/brand.					
H_0^{5f}: $\mu_{FNB,T} = \mu_{CL,T}$ H_a^{5f}: $\mu_{FNB,T} \neq \mu_{CL,T}$	FNB (L/In) T vs. CL (H/Tr) T	p value = 0,021517/2 = 0,010759 < 0,05			Reject H_0^{5f}	Cell (f)
Interpretation H^{5f}	There is strong evidence at a 95% confidence level that suggests tarnishing had different effects on the low					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	involvement/informational (FNB) and high involvement/transformational (CL) trademarks/brands as far as attitude valence and stability are concerned. Tarnishing strengthened attitude valence and stability for the low involvement/informational (FNB) trademark/brand and weakened attitude valence and stability for the high involvement/transformational (CL) trademark/brand.					
6	**Individual trademark/brand Blurring (B) vs. Individual trademark/brand Blurring (B)**					Table 7.22 Table 7.52
H_0^6: $\mu_{M,B} = \mu_{CL,B} = \mu_{FNB,B} = \mu_{N,B}$ H_a^6: $\mu_{M,B} \neq \mu_{CL,B} \neq \mu_{FNB,B} \neq \mu_{N,B}$	B/B	0,0623	<	0,10	Reject H_0^6	Table 7.22 Table 7.52
Interpretation H^6	There is weak evidence at a 90% confidence level that suggests blurring had different effects on individual trademarks/brands (M; CL; FNB; N) as far as attitude valence and stability are concerned.					
H_0^{6a}: $\mu_{M,B} = \mu_{CL,B}$ H_a^{6a}: $\mu_{M,B} \neq \mu_{CL,B}$	Momentum (H/In) B vs. City Lodge (H/Tr) B	p value = 0,172937/2 = 0,086469 < 0,10			Reject H_0^{6a}	Cell (a)
Interpretation H^{6a}	There is weak evidence at a 90% confidence level that suggests blurring had a different effect on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as attitude valence and stability are concerned. Blurring strengthened attitude valence and stability slightly for the high involvement/informational (M) trademark/brand but weakened attitude valence and stability for the high involvement/transformational (CL) trademark/brand.					
H_0^{6b}: $\mu_{M,B} = \mu_{FNB,B}$	Momentum (H/In) B vs.	p value = 0,226000/2 = 0,113 > 0,10			Accept H_0^{6b}	Cell (b)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_a^{6b}: $\mu_{M,B} \neq \mu_{FNB,B}$	FNB (L/In) B					
Interpretation H^{6b}	There is no evidence that suggests blurring had a different effect on the high involvement/informational (M) and the low involvement/transformational (FNB) trademark/brand as far as attitude valence and stability are concerned.					
H_0^{6c}: $\mu_{M,B} = \mu_{N,B}$ H_a^{6c}: $\mu_{M,B} \neq \mu_{N,B}$	Momentum (H/In) B vs. Nando's (L/Tr) B	p value = 0,407259/2 = 0,20363 > 0,10			Accept H_0^{6c}	Cell (c)
Interpretation H^{6c}	There is no evidence that suggests blurring had a different effect on the high involvement/informational (M) and low involvement/transformational (N) trademark/brand as far as attitude valence and stability are concerned.					
H_0^{6d}: $\mu_{FNB,B} = \mu_{N,B}$ H_a^{6d}: $\mu_{FNB,B} \neq \mu_{N,B}$	FNB (L/In) B vs. Nando's (L/Tr) B	p value = 0,634184/2 = 0,31709 > 0,10			Accept H_0^{6d}	Cell (d)
Interpretation H^{6d}	There is no evidence that suggests blurring had a different effect on the low involvement/informational (FNB) and low involvement/transformational (N) trademark/brand as far as attitude valence and stability are concerned.					
H_0^{6e}: $\mu_{CL,B} = \mu_{N,B}$ H_a^{6e}: $\mu_{CL,B} \neq \mu_{N,B}$	City Lodge (H/Tr) B vs. Nando's (L/Tr) B	p value = 0,022141/2 = 0,011071 < 0,05			Reject H_0^{6e}	Cell (e)
Interpretation H^{6e}	There is strong evidence at a 95% confidence level that suggests blurring had a different effect on the high involvement/transformational (CL) and the low involvement/transformational (N) trademark/brand as far as attitude valence and stability are concerned. Blurring weakened attitude valence and stability for the high involvement/transformational (CL) trademark/brand but strengthened attitude valence and stability for the low involvement/transformational (N) trademark/brand.					
H_0^{6f}: $\mu_{FNB,B} = \mu_{CL,B}$ H_a^{6f}: $\mu_{FNB,B} \neq \mu_{CL,B}$	FNB (L/In) B vs. City Lodge (H/Tr) B	p value = 0,025320/2 = 0,01266 < 0,05			Reject H_0^{6f}	Cell (f)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
Interpretation H^{6f}	There is strong evidence at a 95% confidence level that suggests blurring had a different effect on the low involvement/informational (FNB) and the high involvement/transformational (CL) trademark/brand as far as attitude valence and stability are concerned. Blurring strengthened attitude valence and stability for the low involvement/informational (FNB) trademark/brand and weakened attitude valence and stability for the high involvement/transformational (CL) trademark/brand.					

Strength in the figures and tables below refers to attitude valence and stability.

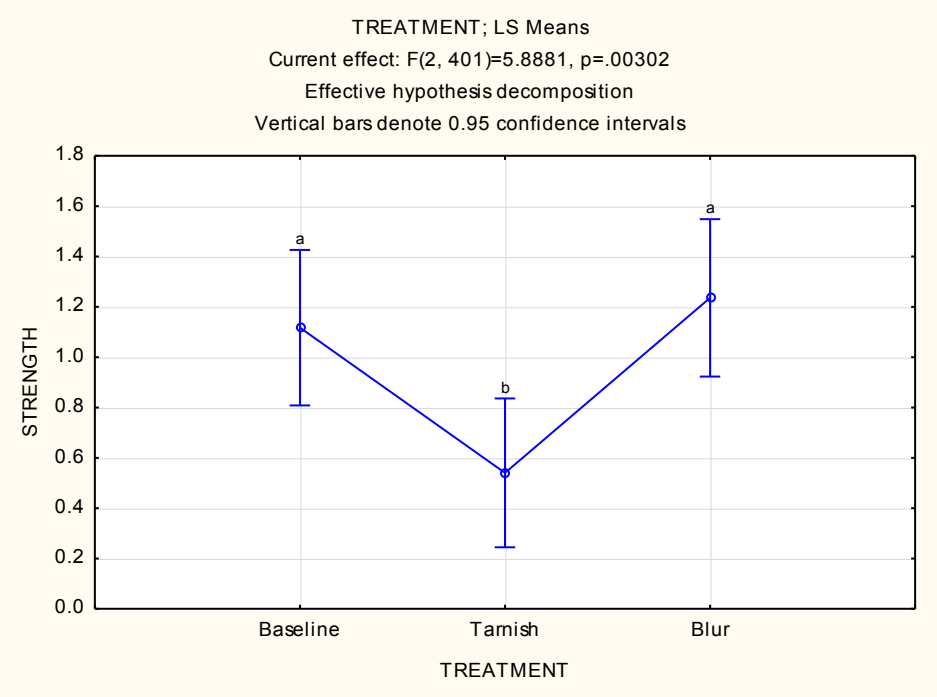

Figure 7.5: The effect of tarnishing and blurring on attitude valence and stability for combined trademarks/brands: confidence approach

Table 7.17: The effect of tarnishing and blurring on attitude valence and stability for combined trademarks/brands: confidence approach

	TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(2, 401)=5.8881, p=.00302 Effective hypothesis decomposition					
Cell No.	TREATMENT	STRENGTH	STRENGTH	STRENGTH	STRENGTH	N
1	Baseline	1.11726	0.15708	0.80845	1.42607	135
2	Tarnish	0.54025	0.15046	0.24445	0.83605	147
3	Blur	1.23572	0.15906	0.92302	1.54842	131

Table 7.18: The effect of tarnishing and blurring on attitude valence and stability for combined trademarks/brands: significance approach

	LSD test; variable STRENGTH (Spreadsheet495 in Probabilities for Post Hoc Tests Error: Between MSE = 3.3123, df = 401.00			
Cell No.	TREATMENT	{1} 1.1472	{2} .59864	{3} 1.2290
1	Baseline		0.011835	0.714249
2	Tarnish	0.011835		0.004155
3	Blur	0.714249	0.004155	

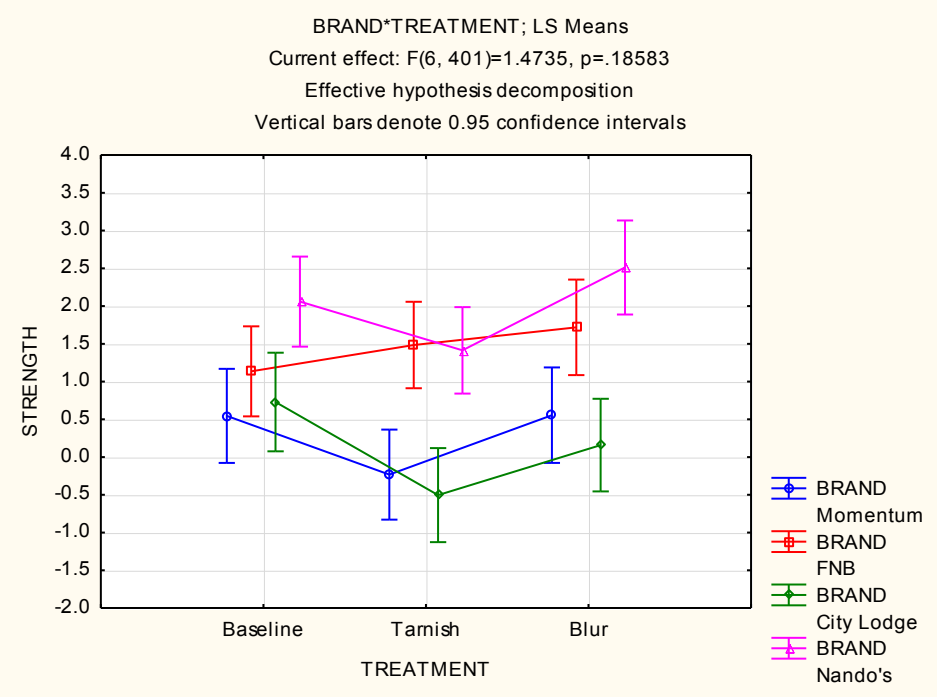

Figure 7.6: The effect of tarnishing and blurring on attitude valence and stability for individual trademarks/brands: confidence approach

Table 7.19: The effect of tarnishing and blurring on attitude valence and stability for individual trademarks/brands: confidence approach

Cell No.	BRAND	TREATMEN	STRENGTH Mean	STRENGTH Std.Err.	STRENGTH -95.00%	STRENGTH +95.00%	N
	BRAND*TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(6, 401)=1.4735, p=.18583 Effective hypothesis decomposition						
1	Momentun	Baseline	0.54545	0.31681	-0.0773	1.16828	33
2	Momentun	Tarnish	-0.23263	0.30332	-0.8289	0.36367	36
3	Momentun	Blur	0.55468	0.32172	-0.0778	1.18717	32
4	FNB	Baseline	1.13541	0.30332	0.5391	1.73172	36
5	FNB	Tarnish	1.48397	0.29142	0.9110	2.05689	39
6	FNB	Blur	1.71875	0.32172	1.0862	2.35123	32
7	City Lodge	Baseline	0.72916	0.33228	0.0759	1.38239	30
8	City Lodge	Tarnish	-0.50378	0.31681	-1.1266	0.11904	33
9	City Lodge	Blur	0.15808	0.31212	-0.4555	0.77168	34
10	Nando's	Baseline	2.05902	0.30332	1.4627	2.65534	36
11	Nando's	Tarnish	1.41346	0.29142	0.8405	1.98638	39
12	Nando's	Blur	2.51136	0.31681	1.8885	3.13419	33

Table 7.20: The effect of tarnishing and blurring on attitude valence and stability for individual trademarks/brands: significance approach

Cell No.	LSD test; variable STRENGTH (Spreadsheet495 in resultate.stw) Probabilities for Post Hoc Tests Error: Between MSE = 3.3123, df = 401.00													
	BRAND	TREATMENT	{1} .54545	{2} -.2326	{3} .55469	{4} 1.1354	{5} 1.4840	{6} 1.7188	{7} .72917	{8} -.5038	{9} .15809	{10} 2.0590	{11} 1.4135	{12} 2.5114
1	Momentum	Baseline		0.076824	0.983696	0.179364	0.029821	0.009709	0.689261	0.019679	0.384277	0.000618	0.044422	0.000015
2	Momentum	Tarnish	0.076824		0.075738	0.001539	0.000054	0.000013	0.033139	0.536796	0.369863	0.000000	0.000107	0.000000
3	Momentum	Blur	0.983696	0.075738		0.189815	0.032898	0.010881	0.706194	0.019556	0.376811	0.000736	0.048579	0.000019
4	FNB	Baseline	0.179364	0.001539	0.189815		0.407804	0.187841	0.367089	0.000213	0.025279	0.031908	0.508990	0.001833
5	FNB	Tarnish	0.029821	0.000054	0.032898	0.407804		0.588920	0.088445	0.000005	0.002038	0.172363	0.864240	0.017464
6	FNB	Blur	0.009709	0.000013	0.010881	0.187841	0.588920		0.032992	0.000001	0.000553	0.442016	0.482294	0.079957
7	City Lodge	Baseline	0.689261	0.033139	0.706194	0.367089	0.088445	0.032992		0.007542	0.211051	0.003302	0.122346	0.000121
8	City Lodge	Tarnish	0.019679	0.536796	0.019556	0.000213	0.000005	0.000001	0.007542		0.137475	0.000000	0.000011	0.000000
9	City Lodge	Blur	0.384277	0.369863	0.376811	0.025279	0.002038	0.000553	0.211051	0.137475		0.000016	0.003474	0.000000
10	Nando's	Baseline	0.000618	0.000000	0.000736	0.031908	0.172363	0.442016	0.003302	0.000000	0.000016		0.125641	0.303027
11	Nando's	Tarnish	0.044422	0.000107	0.048579	0.508990	0.864240	0.482294	0.122346	0.000011	0.003474	0.125641		0.011128
12	Nando's	Blur	0.000015	0.000000	0.000019	0.001833	0.017464	0.079957	0.000121	0.000000	0.000000	0.303027	0.011128	

Table 7.21: The relative influence of tarnishing on attitude valence and stability for different trademarks/brands

The relative influence of tarnishing on attitude valence and stability for all trademarks/brands (H_5)

Depend.: STRENGTH	Kruskal-Wallis ANOVA by Ranks; STRENGTH (Spreadsheet1) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 147) =12.01799 p =.0073			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	36	2468.000	68.55556
FNB	102	39	3628.000	93.02564
City Lodge	103	33	1982.000	60.06061
Nando's	104	39	2800.000	71.79487

(a)The relative influence of tarnishing on attitude valence and stability for H/In vs. H/Tr trademarks/brands (H_{5a})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
STRENGTH	1348.000	1067.000	506.0000	1.051094	0.293216	1.051315	0.293115

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N City Lodge	2*1sided exact p
STRENGTH	36	33	0.295247

(b)The relative influence of tarnishing on attitude valence and stability for H/In vs. L/In trademarks/brands (H_{5b})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted	p-value
STRENGTH	1112.000	1738.000	446.0000	-2.70951	0.006739	-2.71026	0.006723

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N FNB	2*1sided exact p
STRENGTH	36	39	0.006245

(c)The relative influence of tarnishing on attitude valence and stability for H/In vs. L/Tr trademarks/brands (H_{5c})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
STRENGTH	1340.000	1510.000	674.0000	-0.291631	0.770569	-0.291701	0.770515

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N Nando's	2*1sided exact p
STRENGTH	36	39	0.771882

(d)The relative influence of tarnishing on attitude valence and stability for L/In vs. L/Tr trademarks/brands (H_{5d})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N FNB
STRENGTH	1770.000	1311.000	531.0000	2.288484	0.022110	2.289107	0.022074	39

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
STRENGTH	39	0.021517

(e)The relative influence of tarnishing on attitude valence and stability for H/Tr vs. L/Tr trademarks/brands (H_{5e})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
STRENGTH	1089.000	1539.000	528.0000	-1.29968	0.193710	-1.29997	0.193614

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N City Lodge	Valid N Nando's	2*1sided exact p
STRENGTH	33	39	0.194966

(f)The relative influence of tarnishing on attitude valence and stability for L/In vs. H/Tr trademarks/brands (H_{5f})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N FNB
STRENGTH	1680.000	948.0000	387.0000	2.893210	0.003814	2.893954	0.003804	39

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
STRENGTH	33	0.003406

Table 7.22: The relative influence of blurring on attitude valence and stability for different trademarks/brands

The relative influence of blurring on attitude valence and stability for all trademarks/brands (H_6)

Depend.: STRENGTH	Kruskal-Wallis ANOVA by Ranks; STRENGTH (Spreadsheet22) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 131) =7.322752 p =.0623			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	32	2064.000	64.50000
FNB	102	32	2414.000	75.43750
City Lodge	103	34	1781.000	52.38235
Nando's	104	33	2387.000	72.33333

(a)The relative influence of blurring on attitude valence and stability for H/In vs. H/Tr trademarks/brands (H_{6a})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
STRENGTH	1179.000	1032.000	437.0000	1.366433	0.171804	1.366747	0.171706

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N City Lodge	2*1sided exact p
STRENGTH	32	34	0.172937

(b)The relative influence of blurring on attitude valence and stability for H/In vs. L/In trademarks/brands (H_{6b})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted	p-value
STRENGTH	949.0000	1131.000	421.0000	-1.21516	0.224307	-1.21545	0.224196

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N FNB	2*1sided exact p
STRENGTH	32	32	0.226000

(c)The relative influence of blurring on attitude valence and stability for H/In vs. L/Tr trademarks/brands (H_{6c})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
STRENGTH	992.0000	1153.000	464.0000	-0.833221	0.404720	-0.833367	0.404638

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N Nando's	2*1sided exact p
STRENGTH	32	33	0.407259

(d)The relative influence of blurring on attitude valence and stability for L/In vs. L/Tr trademarks/brands (H_{6d})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N FNB
STRENGTH	1093.000	1052.000	491.0000	0.478938	0.631983	0.479069	0.631890	32

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
STRENGTH	33	0.634184

(e)The relative influence of blurring on attitude valence and stability for H/Tr vs. L/Tr trademarks/brands (H_{6e})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
STRENGTH	974.0000	1304.000	379.0000	-2.27623	0.022833	-2.27682	0.022798

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000		
	Valid N City Lodge	Valid N Nando's	2*1sided exact p
STRENGTH	34	33	0.022141

(f)The relative influence of blurring on attitude valence and stability for L/ln vs. H/Tr trademarks/brands (H_{6f})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N FNB
STRENGTH	1246.000	965.0000	370.0000	2.226067	0.026010	2.226788	0.025962	32

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
STRENGTH	34	0.025320

7.6 THE EFFECT OF TARNISHING AND BLURRING ON PURCHASE INTENTION AS COMPONENT OF CUSTOMER-BASED BRAND EQUITY

Table 7.23: The effect of tarnishing and blurring on purchase intention as component of customer-based brand equity

Hypothesis	Description	p value	Analysis	α	Decision	Reference
1	**Individual treatments (BL; T; B) vs. Combined trademarks/brands (M; CL; FNB; N)**					Figure 7.7 Table 7.24 Table 7.25
H_0^1: $\mu_{BL} = \mu_T = \mu_B$ H_a^1: $\mu_{BL} \neq \mu_T \neq \mu_B$	BL vs. T. vs. B	0,47647	>	0,10	Accept H_0^1	Table 7.24 Table 7.25
Interpretation H^1	There is no evidence that suggests tarnishing and blurring had an effect on all trademarks/brands as far as purchase intention is concerned. There is no evidence that suggests tarnishing had an effect on all trademarks/brands as far as purchase intention is concerned. There is no evidence that suggests blurring had an effect on all trademarks/brands as far as purchase intention is concerned. There is also no evidence that suggests tarnishing and blurring had different effects on all trademarks/brands as far as purchase intention is concerned.					
2	**Individual trademarks/brands Baseline (BL) vs. Individual trademark/brand Tarnishing (T)**					Figure 7.8 Table 7.26 Table 7.27
Interpretation H^2	The four null hypotheses are all accepted as there is no evidence (p-values > 0,10) that suggests tarnishing had an effect on individual trademarks/brands (M; CL; FNB; N) as far as purchase intention is concerned.					
3	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Blurring (B)**					Figure 7.8

Hypothesis	Description	p value	Analysis	α	Decision	Reference
						Table 7.26 Table 7.27
Interpretation H^3	The four null hypotheses are all accepted as there is no evidence (p-values > 0,10) that suggests blurring had an effect on individual trademarks/brands (M; CL; FNB; N) as far as purchase intention is concerned.					
4	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Blurring (B)**					Figure 7.8 Table 7.26 Table 7.27
Interpretation H^4	The four null hypotheses are all accepted as there is no evidence (p-values > 0,10) that suggests tarnishing and blurring had different effects on individual (M; CL; FNB; N) trademarks/brands as far as purchase intention is concerned.					
5	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Tarnishing (T)**					Table 7.28 Table 7.52
H_0^5: $\mu_{M,T} = \mu_{CL,T} = \mu_{FNB,T} = \mu_{N,T}$ H_a^5: $\mu_{M,T} \neq \mu_{CL,T} \neq \mu_{FNB,T} \neq \mu_{N,T}$	T vs.T	0,0736	<	0,10	Reject H_0^5	Table 7.28 Table 7.52
Interpretation H^5	There is weak evidence at a 90% confidence level that suggests tarnishing had different effects on individual trademarks/brands (M; CL; FNB; N) as far as purchase intention is concerned.					
H_0^{5a}: $\mu_{M,T} = \mu_{CL,T}$ H_a^{5a}: $\mu_{M,T} \neq \mu_{CL,T}$	Momentum (H/In) T vs. City Lodge (H/Tr) T	p value = 0,578705/2 = 0,289353 > 0,10			Accept H_0^{5a}	Cell (a)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
Interpretation H^{5a}	There is no evidence that suggests tarnishing had different effects on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as purchase intention is concerned.					
H_0^{5b}: $\mu_{M,T} = \mu_{FNB,T}$ H_a^{5b}: $\mu_{M,T} \neq \mu_{FNB,T}$	Momentum (H/In) T vs. FNB (L/In) T	p value = 0,019876/2 = 0,009938 < 0,01			Reject H_0^{5b}	Cell (b)
Interpretation H^{5b}	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/informational (FNB) trademarks/brands as far as purchase intention is concerned. Tarnishing had a negative effect on purchase intention for the high involvement/informational (M) trademark/brand but a positive effect on purchase intention for the low involvement/informational (FNB) trademark/brand.					
H_0^{5c}: $\mu_{M,T} = \mu_{N,T}$ H_a^{5c}: $\mu_{M,T} \neq \mu_{N,T}$	Momentum (H/In) T vs. Nando's (L/Tr) T	p = 0,886840/2 = 0,44342 > 0,10			Accept H_0^{5c}:	Cell (c)
Interpretation H^{5c}	There is no evidence that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/transformational (N) trademarks/brands as far as purchase intention is concerned.					
H_0^{5d}: $\mu_{FNB,T} = \mu_{N,T}$ H_a^{5d}: $\mu_{FNB,T} \neq \mu_{N,T}$	FNB (L/In) T vs. Nando's (L/Tr) T	p = 0,089415/2 = 0,044708 < 0,05			Reject H_0^{5d}	Cell (d)
Interpretation H^{5d}	There is strong evidence at a 95% confidence level that suggests tarnishing had a different effect on the low involvement/informational (FNB) and the low involvement/transformational (N) trademarks/brands as far as purchase intention is concerned. Tarnishing had a positive effect on purchase intention for the low involvement/informational (FNB) trademark/brand but a negative effect on purchase intention for the low involvement/transformational (N) trademark/brand.					
H_0^{5e}: $\mu_{CL,T} = \mu_{N,T}$	City Lodge (H/Tr) T vs.	p = 0,097312/2 = 0,486563 > 0,10			Accept H_0^{5e}	Cell (e)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_a^{5e}: $\mu_{CL,T} \neq \mu_{N,T}$	Nando's (L/Tr) T					
Interpretation H^{5e}	There is no evidence that suggests tarnishing had different effects on the high involvement/transformational (CL) and low involvement/transformational (N) trademarks/brands as far as purchase intention is concerned.					
H_0^{5f}: $\mu_{FNB,T} = \mu_{CL,T}$ H_a^{5f}: $\mu_{FNB,T} \neq \mu_{CL,T}$	FNB (L/In) T vs. CL (H/Tr) T	p = 0,020486/2 = 0,010243 < 0,05			Reject H_0^{5f}	Cell (f)
Interpretation H^{5f}	There is strong evidence at a 95% confidence level that suggests tarnishing had a different effect on the low involvement/informational (FNB) and the high involvement/transformational (CL) trademarks/brands as far as purchase intention is concerned. Tarnishing had a positive effect on purchase intention for the low involvement/informational (FNB) trademark/brand but a negative effect on purchase intention for the high involvement/transformational (CL) trademark/brand.					
6	**Individual trademark/brand Blurring (B) vs. Individual trademark/brand Blurring (B)**					Table 7.29 Table 7.52
H_0^{6}: $\mu_{M,B} = \mu_{CL,B} = \mu_{FNB,B} = \mu_{N,B}$ H_a^{6}: $\mu_{M,B} \neq \mu_{CL,B} \neq \mu_{FNB,B} \neq \mu_{N,B}$	B vs. B	0,0941	<	0,10	Reject H_0^{6}	Table 7.29 Table 7.52
Interpretation H^{6}	There is weak evidence at a 90% confidence level that suggests blurring had different effects on individual trademarks/brands (M; CL; FNB; N) as far as purchase intention is concerned.					
H_0^{6a}: $\mu_{M,B} = \mu_{CL,B}$ H_a^{6a}: $\mu_{M,B} \neq \mu_{CL,B}$	Momentum (H/In) B vs. City Lodge (H/Tr) B	p = 0,035312/2 = 0,017656 < 0,05			Reject H_0^{6a}	Cell (a)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
Interpretation H^{6a}	There is strong evidence at a 95% confidence level that suggests blurring had a different effect on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as purchase intention is concerned. Blurring had a negative effect on purchase intention for the high involvement/transformational (CL) trademark/brand but a positive effect on purchase intention for the high involvement/informational (M) trademark/brand.					
H_0^{6b}: $\mu_{M,B} = \mu_{FNB,B}$ H_a^{6b}: $\mu_{M,B} \neq \mu_{FNB,B}$	Momentum (H/In) B vs. FNB (L/In) B	p = 0,434777/2 = 0,217389 > 0,10			Accept H_0^{6b}	Cell (b)
Interpretation H^{6b}	There is no evidence that suggests blurring had different effects on the high involvement/informational (M) and the low involvement/transformational (FNB) trademarks/brands as far as purchase intention is concerned.					
H_0^{6c}: $\mu_{M,B} = \mu_{N,B}$ H_a^{6c}: $\mu_{M,B} \neq \mu_{N,B}$	Momentum (H/In) B vs. Nando's (L/Tr) B	p = 0,652893/2 = 0,326447 > 0,10			Accept H_0^{6c}	Cell (c)
Interpretation H^{6c}	There is no evidence that suggests blurring had a different effect on the high involvement/informational (M) and the low involvement/transformational (N) trademarks/brands as far as purchase intention is concerned.					
H_0^{6d}: $\mu_{FNB,B} = \mu_{N,B}$ H_a^{6d}: $\mu_{FNB,B} \neq \mu_{N,B}$	FNB (L/In) B vs. Nando's (L/Tr) B	p = 0,552947/2 = 0,276474 > 0,10			Accept H_0^{6d}	Cell (d)
Interpretation H^{6d}	There is no evidence that suggests blurring had a different effect on the low involvement/informational (FNB) and the low involvement/transformational (N) trademarks/brands as far as purchase intention is concerned.					
H_0^{6e}: $\mu_{CL,B} = \mu_{N,B}$ H_a^{6e}: $\mu_{CL,B} \neq \mu_{N,B}$	City Lodge (H/Tr) B vs. Nando's (L/Tr) B	p = 0,182887/2 = 0,091444 < 0,10			Reject H_0^{6e}	Cell (e)
Interpretation H^{6e}	There is weak evidence that suggests blurring had a different effect on the high involvement/transformational (CL) and the low involvement/transformational (N) trademarks/brands as far as purchase intention is concerned.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	Blurring had a negative effect on purchase intention for the high involvement/transformational (CL) trademark/brand but a positive effect on the low involvement/transformational (N) trademark/brand.					
H_0^{6f}: $\mu_{FNB,B} = \mu_{CL,B}$ H_a^{6f}: $\mu_{FNB,B} \neq \mu_{CL,B}$	FNB (L/In) B vs. City Lodge (H/Tr) B	p = 0,019857/2 = 0,009929 < 0,01			Reject H_0^{6f}:	Cell (f)
Interpretation H^{6f}	There is very strong evidence that suggests blurring had a different effect on the low involvement/informational (FNB) and the high involvement/transformational (CL) trademarks/brands as far as purchase intention is concerned. Blurring had a negative effect on purchase intention for the high involvement/transformational (CL) trademark/brand but a positive effect on the low involvement/informational (FNB) trademark/brand.					

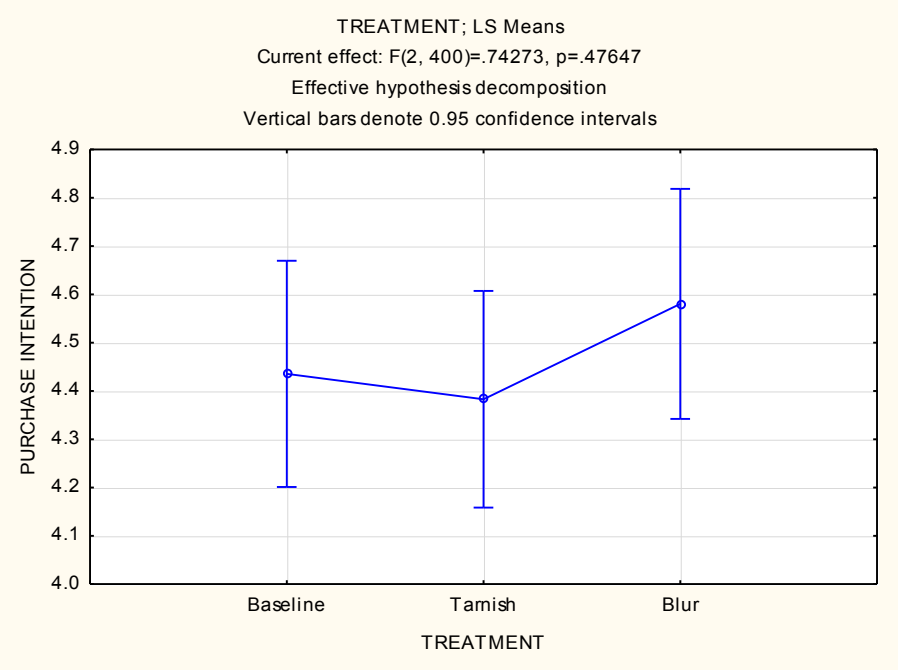

Figure 7.7: The influence of tarnishing and blurring on purchase intention for combined trademarks/brands: confidence approach

Table 7.24: The influence of tarnishing and blurring on purchase intention for combined trademarks/brands: confidence approach

Cell No.	TREATMENT	PURCHASE INTENTION Mean	PURCHASE INTENTION Std.Err.	PURCHASE INTENTION -95.00%	PURCHASE INTENTION +95.00%	N
	TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(2, 400)=.74273, p=.47647 Effective hypothesis decomposition					
1	Baseline	4.43531	0.11915	4.20106	4.66955	135
2	Tarnish	4.38277	0.11413	4.15839	4.60715	147
3	Blur	4.58027	0.12112	4.34215	4.81838	130

Table 7.25: The influence of tarnishing and blurring on purchase intention for combined trademarks/brands: significance approach

Cell No.	TREATMENT	{1} 4.4395	{2} 4.3968	{3} 4.5769
	LSD test; variable PURCHASE INTENTION (Sprea Probabilities for Post Hoc Tests Error: Between MSE = 1.9059, df = 400.00			
1	Baseline		0.795498	0.418395
2	Tarnish	0.795498		0.279213
3	Blur	0.418395	0.279213	

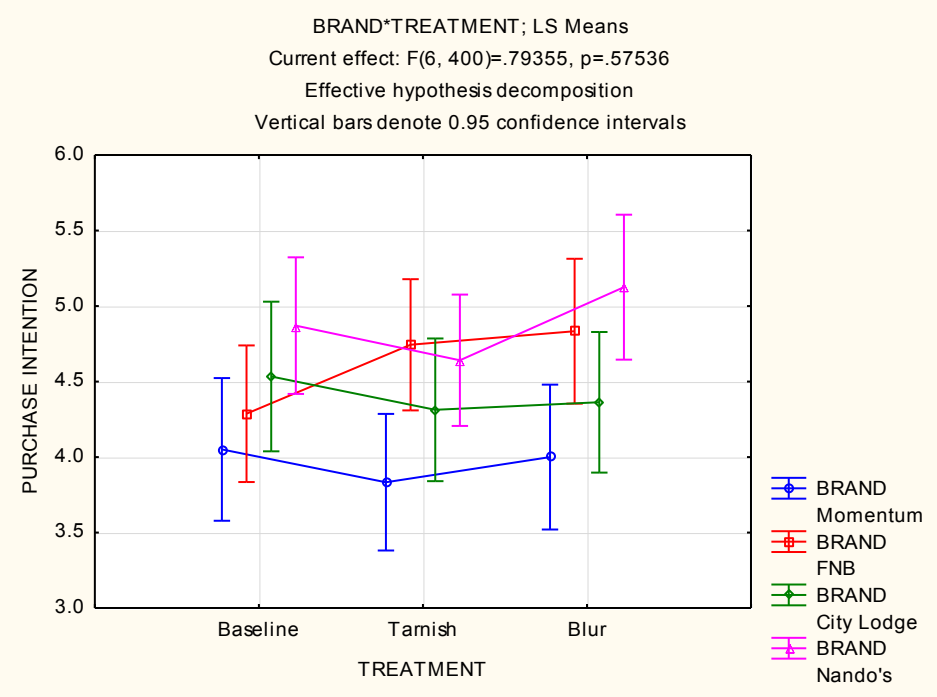

Figure 7.8: The influence of tarnishing and blurring on purchase intention for individual trademarks/brands: confidence approach

Table 7.26: The influence of tarnishing and blurring on purchase intention for individual trademarks/brands: confidence approach

BRAND*TREATMENT; LS Means (Spreadsheet495 in resultate.stw)
Current effect: F(6, 400)=.79355, p=.57536
Effective hypothesis decomposition

Cell No.	BRAND	TREATMENT	PURCHASE INTENTION Mean	PURCHASE INTENTION Std.Err.	PURCHASE INTENTION -95.00%	PURCHASE INTENTION +95.00%	N
1	Momentum	Baseline	4.050505	0.240319	3.578058	4.522952	33
2	Momentum	Tarnish	3.833333	0.230088	3.381000	4.285667	36
3	Momentum	Blur	4.000000	0.244046	3.520228	4.479772	32
4	FNB	Baseline	4.287037	0.230088	3.834703	4.739371	36
5	FNB	Tarnish	4.743590	0.221062	4.309002	5.178178	39
6	FNB	Blur	4.833333	0.244046	4.353561	5.313106	32
7	City Lodge	Baseline	4.533333	0.252049	4.037827	5.028840	30
8	City Lodge	Tarnish	4.313131	0.240319	3.840684	4.785578	33
9	City Lodge	Blur	4.362745	0.236759	3.897298	4.828193	34
10	Nando's	Baseline	4.870370	0.230088	4.418037	5.322704	36
11	Nando's	Tarnish	4.641026	0.221062	4.206438	5.075614	39
12	Nando's	Blur	5.125000	0.244046	4.645228	5.604772	32

Table 7.27: The effect of tarnishing and blurring on purchase intention for individual trademarks/brands: significance approach

Cell No.	LSD test; variable PURCHASE INTENTION (Spreadsheet495 in resultate.stw) Probabilities for Post Hoc Tests Error: Between MSE = 1.9059, df = 400.00													
	BRAND	TREATMENT	{1} 4.0505	{2} 3.8333	{3} 4.0000	{4} 4.2870	{5} 4.7436	{6} 4.8333	{7} 4.5333	{8} 4.3131	{9} 4.3627	{10} 4.8704	{11} 4.6410	{12} 5.1250
1	Momentum	Baseline		0.514298	0.882846	0.477541	0.034403	0.022801	0.166392	0.440132	0.355236	0.014151	0.071284	0.001832
2	Momentum	Tarnish	0.514298		0.619528	0.163995	0.004559	0.003044	0.040906	0.150056	0.109597	0.001550	0.011744	0.000137
3	Momentum	Blur	0.882846	0.619528		0.392630	0.024470	0.016203	0.129258	0.361146	0.286689	0.009808	0.052266	0.001211
4	FNB	Baseline	0.477541	0.163995	0.392630		0.153250	0.104153	0.470906	0.937525	0.818739	0.073777	0.267915	0.012878
5	FNB	Tarnish	0.034403	0.004559	0.024470	0.153250		0.785345	0.530918	0.188164	0.240397	0.691330	0.743030	0.247429
6	FNB	Blur	0.022801	0.003044	0.016203	0.104153	0.785345		0.393010	0.129602	0.167129	0.912129	0.559535	0.398568
7	City Lodge	Baseline	0.166392	0.040906	0.129258	0.470906	0.530918	0.393010		0.527553	0.622070	0.323956	0.748209	0.092491
8	City Lodge	Tarnish	0.440132	0.150056	0.361146	0.937525	0.188164	0.129602	0.527553		0.883153	0.094743	0.315900	0.018244
9	City Lodge	Blur	0.355236	0.109597	0.286689	0.818739	0.240397	0.167129	0.622070	0.883153		0.124941	0.390796	0.025522
10	Nando's	Baseline	0.014151	0.001550	0.009808	0.073777	0.691330	0.912129	0.323956	0.094743	0.124941		0.472696	0.448202
11	Nando's	Tarnish	0.071284	0.011744	0.052266	0.267915	0.743030	0.559535	0.748209	0.315900	0.390796	0.472696		0.142405
12	Nando's	Blur	0.001832	0.000137	0.001211	0.012878	0.247429	0.398568	0.092491	0.018244	0.025522	0.448202	0.142405	

Table 7.28: The relative influence of tarnishing on purchase intention for different trademarks/brands

The relative influence of tarnishing on purchase intention for all trademarks/brands (H_5)

Depend.: PURCHASE INTENTION	Kruskal-Wallis ANOVA by Ranks; PURCHASE INTENTION (Spreadsheet1) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 147) =6.948304 p =.0736			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	36	2478.000	68.83333
FNB	102	39	3480.000	89.23077
City Lodge	103	33	2187.000	66.27273
Nando's	104	39	2733.000	70.07692

(a)The relative influence of tarnishing on purchase intention for H/In vs. H/Tr trademarks/brands (H_{5a})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000					
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted
PURCHASE INTENTION	1307.000	1108.000	547.0000	0.558581	0.576448	0.559661

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000			
	p-value	Valid N Momentum	Valid N City Lodge	2*1sided exact p
PURCHASE INTENTION	0.575711	36	33	0.578705

(b)The relative influence of tarnishing on purchase intention for H/In vs. L/In trademarks/brands (H_{5b})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000					
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted
PURCHASE INTENTION	1149.000	1701.000	483.0000	-2.31714	0.020497	-2.32612

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000			
	p-value	Valid N Momentum	Valid N FNB	2*1sided exact p
PURCHASE INTENTION	0.020013	36	39	0.019876

(c)The relative influence of tarnishing on purchase intention for H/In vs. L/Tr trademarks/brands (H_{5c})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000					
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted
PURCHASE INTENTION	1354.000	1496.000	688.0000	-0.143164	0.886161	-0.143441

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000			
	p-value	Valid N Momentum	Valid N Nando's	2*1sided exact p
PURCHASE INTENTION	0.885942	36	39	0.886840

(d)The relative influence of tarnishing on purchase intention for L/In vs. L/Tr trademarks/brands (H_{5d})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
PURCHASE INTENTION	1711.000	1370.000	590.0000	1.698875	0.089344	1.704998	0.088196

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N FNB	Valid N Nando's	2*1sided exact p
PURCHASE INTENTION	39	39	0.089415

(e)The relative influence of tarnishing on purchase intention for H/Tr vs. L/Tr trademarks/brands (H_{5e})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000					
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted
PURCHASE INTENTION	1201.000	1427.000	640.0000	-0.033905	0.972953	-0.033969

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000			
	p-value	Valid N City Lodge	Valid N Nando's	2*1sided exact p
PURCHASE INTENTION	0.972902	33	39	0.973125

(f)The relative influence of tarnishing on purchase intention for L/In vs. H/Tr trademarks/brands (H_{5f})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
PURCHASE INTENTION	1628.000	1000.000	439.0000	2.305526	0.021138	2.314981	0.020615

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var1 Marked tests are significant at p <.05000		
	Valid N FNB	Valid N City Lodge	2*1sided exact p
PURCHASE INTENTION	39	33	0.020486

Table 7.29: The relative influence of blurring on purchase intention for different trademarks/brands

The relative influence of blurring on purchase intention for all trademarks/brands (H_6)

Depend.: PURCHASE INTENTION	Kruskal-Wallis ANOVA by Ranks; PURCHASE INTENTION (Spreadsheet22) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 131) =6.391223 p =.0941			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	32	2252.000	70.37500
FNB	102	32	2398.000	74.93750
City Lodge	103	34	1792.000	52.70588
Nando's	104	33	2204.000	66.78788

(a)The relative influence of blurring on purchase intention for H/In vs. H/Tr trademarks/brands (H_{6a})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000					
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted
PURCHASE INTENTION	1236.000	975.0000	380.0000	2.097764	0.035927	2.102751

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000			
	p-value	Valid N Momentum	Valid N City Lodge	2*1sided exact p
PURCHASE INTENTION	0.035488	32	34	0.035312

(b)The relative influence of blurring on purchase intention for H/In vs. L/In trademarks/brands (H_{6b})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000					
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted
PURCHASE INTENTION	981.0000	1099.000	453.0000	-0.785489	0.432168	-0.787628

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000			
	p-value	Valid N Momentum	Valid N FNB	2*1sided exact p
PURCHASE INTENTION	0.430915	32	32	0.434777

(c)The relative influence of blurring on purchase intention for H/In vs. L/Tr trademarks/brands (H_{6c})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000					
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted
PURCHASE INTENTION	1091.000	1054.000	493.0000	0.452695	0.650769	0.453987

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000			
	p-value	Valid N Momentum	Valid N Nando's	2*1sided exact p
PURCHASE INTENTION	0.649839	32	33	0.652893

(d)The relative influence of blurring on purchase intention for L/In vs. L/Tr trademarks/brands (H_{6d})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
PURCHASE INTENTION	1102.000	1043.000	482.0000	0.597033	0.550486	0.598664	0.549398

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000		
	Valid N FNB	Valid N Nando's	2*1sided exact p
PURCHASE INTENTION	32	33	0.552947

(e)The relative influence of blurring on purchase intention for H/Tr vs. L/Tr trademarks/brands (H_{6e})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
PURCHASE INTENTION	1049.000	1229.000	454.0000	-1.33564	0.181668	-1.33884	0.180625

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000		
	Valid N City Lodge	Valid N Nando's	2*1sided exact p
PURCHASE INTENTION	34	33	0.182887

(f)The relative influence of blurring on purchase intention for L/In vs. H/Tr trademarks/brands (H_{6f})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000						
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
PURCHASE INTENTION	1253.000	958.0000	363.0000	2.315880	0.020565	2.321118	0.020281

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000		
	Valid N FNB	Valid N City Lodge	2*1sided exact p
PURCHASE INTENTION	32	34	0.019857

7.7 THE EFFECT OF TARNISHING AND BLURRING ON ATTITUDE ACCESSIBILITY AS COMPONENT OF CUSTOMER-BASED BRAND EQUITY

The standard log linear transformation was used on attitude accessibility since measurements were taken in time.

Table 7.30: The effect of tarnishing and blurring on attitude accessibility as component of customer-based brand equity

Hypothesis	Description	p value	Analysis	α	Decision	Reference
1	**Individual treatments (BL; T; B) vs. Combined trademarks/brands (M; CL; FNB; N)**					Figure 7.9 Table7.31 Table7.32
H_0^1: $\mu_{BL} = \mu_T = \mu_B$ H_a^1: $\mu_{BL} \neq \mu_T \neq \mu_B$	BL vs. T vs. B	0,95719	>	0,10	Accept H_0^1	Table 7.31 Table 7.32
Interpretation H^1	There is no evidence that suggests tarnishing and blurring had an effect on all trademarks/brands as far as attitude accessibility is concerned. There is no evidence that suggests tarnishing had an effect on all trademarks/brands as far as attitude accessibility is concerned. There is no evidence that suggests blurring had an effect on all trademarks/brands as far as attitude accessibility is concerned. There is no evidence that tarnishing and blurring had different effects on all trademarks/brands as far as attitude accessibility is concerned.					
2 to 4	**Individual trademarks/brands (M; CL; FNB; N) vs. Individual treatments (BL; T; B)**					Table 7.33
H_0^2; H_0^3; H_0^4	M; CL; FNB; N vs. BL; T; B	0,03668	<	0,05	Reject H_0^2; H_0^3; H_0^4	Table 7.33
Interpretation H^2; H^3; H^4	There is strong evidence at a 95% confidence level that suggests tarnishing and blurring had an effect on individual trademarks/brands (M; CL; FNB; N) and that the effect of tarnishing and blurring respectively was					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	different, as far as attitude accessibility is concerned.					
2	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Tarnishing (T)**					Figure 7.10 Table 7.33 Table 7.34
H_0^{2a}: $\mu_{M,BL} = \mu_{M,T}$ H_a^{2a}: $\mu_{M,BL} \neq \mu_{M,T}$	Momentum (H/In) BL vs. T	0,312307	>	0,10	Accept H_0^{2a}	Cell 1;2 Column (1); (2)
Interpretation H^{2a}	There is no evidence that suggests tarnishing had an effect on the high involvement/informational (M) trademark/brand as far as attitude accessibility is concerned.					
H_0^{2b}: $\mu_{CL,BL} = \mu_{CL,T}$ H_a^{2b}: $\mu_{CL,BL} \neq \mu_{CL,T}$	City Lodge (H/Tr) BL vs. T	0,405296	>	0,10	Accept H_0^{2b}	Cell 7; 8 Column (7); (8)
Interpretation H^{2b}	There is no evidence that suggests tarnishing had an effect on the high involvement/transformational (CL) trademark/brand as far as attitude accessibility is concerned.					
H_0^{2c}: $\mu_{FNB,BL} = \mu_{FNB,T}$ H_a^{2c}: $\mu_{FNB,BL} \neq \mu_{FNB,T}$	FNB (L/In) BL vs. T	0,7048067	>	0,10	Accept H_0^{2c}	Cell 4; 5 Column (4); (5)
Interpretation H^{2c}	There is no evidence that suggests tarnishing had an effect on the low involvement/informational (FNB) trademark/brand as far as attitude accessibility is concerned.					
H_0^{2d}: $\mu_{N,BL} = \mu_{N,T}$ H_a^{2d}: $\mu_{N,BL} \neq \mu_{N,T}$	Nando's (L/Tr) BL vs. T	0,009454	<	0,01	Reject H_0^{2d}	Cell 10; 11 Column (10); (11)

Hypothesis	Description	p value	Analysis	α	Decision	Reference
Interpretation H^{2d}	There is very strong evidence at a 99% confidence level that suggests tarnishing had an effect on the low involvement/transformational (N) trademark/brand as far as attitude accessibility is concerned, making attitude accessibility slower.					
3	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Blurring (B)**					Figure 7.10 Table 7.33 Table 7.34
Interpretation H^{3}	The four hypotheses are accepted as there is no evidence (p-value > 0,10) that suggests blurring had an effect on individual trademarks/brands (M; CL; FNB; N) as far as attitude accessibility is concerned.					
4	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Blurring (B)**					Figure 7.10 Table 7.33 Table 7.34
H_0^{4a}: $\mu_{M,T} = \mu_{M,B}$ H_a^{4a}: $\mu_{M,T} \neq \mu_{M,B}$	Momentum (H/In) T vs. B	0,068723	<	0,10	Reject H_0^{4a}	Cell 2; 3 Column (2); (3)
Interpretation H^{4a}	There is weak evidence at a 90% confidence level that suggests the effects of tarnishing and blurring are different for the high involvement/informational (M) trademark/brand as far as attitude accessibility is concerned. Tarnishing made the attitude accessibility faster while blurring made attitude accessibility slower.					
H_0^{4b}: $\mu_{CL,T} = \mu_{CL,B}$ H_a^{4b}: $\mu_{CL,T} \neq \mu_{CL,B}$	City Lodge (H/Tr) T vs. B	0,591207	>	0,10	Accept H_0^{4b}	Cell 8; 9 Column (8); (9)
Interpretation H^{4b}	There is no evidence that suggests the effects of tarnishing and blurring are different for the high involvement/transformational (CL) trademark/brand as far as attitude accessibility is concerned.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_0^{4c}: $\mu_{FNB,T} = \mu_{FNB,B}$ H_a^{4c}: $\mu_{FNB,T} \neq \mu_{FNB,B}$	FNB (L/In) T vs. B	0,266890	>	0,10	Accept H_0^{4c}	Cell 5; 6 Column (5); (6)
Interpretation H^{4c}	There is no evidence that suggests the effects of tarnishing and blurring are different for the high involvement/transformational (CL) trademark/brand as far as attitude accessibility is concerned.					
H_0^{4d}: $\mu_{N,T} = \mu_{N,B}$ H_a^{4d}: $\mu_{N,T} \neq \mu_{N,B}$	Nando's (L/Tr) T vs. B	0,056835	<	0,10	Reject H_0^{4d}	Cell 11;12 Column (11); (12)
Interpretation H^{4d}	There is weak evidence at a 90% confidence level that suggests the effects of tarnishing and blurring are different for the low involvement/transformational (N) trademark/brand as far as attitude accessibility is concerned. Tarnishing made the attitude accessibility slower while blurring made attitude accessibility faster.					
5	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Tarnishing (T)**					Table 7.35 Table 7.52
H_0^5: $\mu_{M,T} = \mu_{CL,T} = \mu_{FNB,T} = \mu_{N,T}$ H_a^5: $\mu_{M,T} \neq \mu_{CL,T} \neq \mu_{FNB,T} \neq \mu_{N,T}$	T vs.T	0,0000	<	0,01	Reject H_0^5	Table 7.35 Table 7.52
Interpretation H^5	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on individual trademarks/brands (M; CL; FNB; N) as far as attitude accessibility is concerned.					
H_0^{5a}: $\mu_{M,T} = \mu_{CL,T}$ H_a^{5a}: $\mu_{M,T} \neq \mu_{CL,T}$	Momentum (H/In) T vs. City Lodge (H/Tr) T	p value = 0,985719/2 = 0,49286 > 0,10			Accept H_0^{5a}	Cell (a)
Interpretation H^{5a}	There is no evidence that suggests tarnishing had different effects on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as attitude accessibility is concerned.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_0^{5b}: $\mu_{M,T} = \mu_{FNB,\ T}$ H_a^{5b}: $\mu_{M,T} \neq \mu_{FNB,\ T}$	Momentum (H/In) T vs. FNB (L/In) T	p value = 0,237877/2 = 0,118839 > 0,10			Accept H_0^{5b}	Cell (b)
Interpretation H^{5b}	There is no evidence that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/transformational (FNB) trademarks/brands as far as attitude accessibility is concerned.					
H_0^{5c}: $\mu_{M,T} = \mu_{N,\ T}$ H_a^{5c}: $\mu_{M,T} \neq \mu_{N,\ T}$	Momentum (H/In) T vs. Nando's (L/Tr) T	p value = 0,000019/2 =0,000019 < 0,01			Reject H_0^{5c}	Cell (c)
Interpretation H^{5c}	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on the high involvement/informational (M) and the low involvement/transformational (N) trademarks/brands as far as attitude accessibility is concerned. Tarnishing made attitude accessibility faster for the high involvement/informational (M) trademark/brand but made attitude accessibility slower for the low involvement/transformational (N) trademark/brand.					
H_0^{5d}: $\mu_{FNB,T} = \mu_{N,\ T}$ H_a^{5d}: $\mu_{FNB,T} \neq \mu_{N,\ T}$	FNB (L/In) T vs. Nando's (L/Tr) T	p value = 0,000150/2 = 0,000075 < 0,01			Reject H_0^{5d}	Cell (d)
Interpretation H^{5d}	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on the low involvement/informational (FNB) and the low involvement/transformational (N) trademarks/brands as far as attitude accessibility is concerned. Tarnishing made attitude accessibility faster for the low involvement/informational (FNB) trademark/brand but made attitude accessibility slower for the low involvement/transformational (N) trademark/brand.					
H_0^{5e}: $\mu_{CL,T} = \mu_{N,\ T}$ H_a^{5e}: $\mu_{CL,T} \neq \mu_{N,\ T}$	City Lodge (H/Tr) T vs. Nando's (L/Tr) T	p value = 0,000015/2 = 0,0000075 < 0,01			Reject H_0^{5e}	Cell (e)
Interpretation H^{5e}	There is very strong evidence at a 99% confidence level that suggests tarnishing had different effects on the high					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
	involvement/transformational (CL) and low involvement/transformational (N) trademarks/brands as far as attitude accessibility is concerned. Tarnishing made attitude accessibility faster for the high involvement/transformational (CL) trademark/brand but made attitude accessibility slower for the low involvement/transformational (N) trademark/brand.					
H_0^{5f}: $\mu_{FNB,T} = \mu_{CL,T}$ H_a^{5f}: $\mu_{FNB,T} \neq \mu_{CL,T}$	FNB (L/In) T vs. CL (H/Tr) T	p value = 0,267747/2 = 0,1338735 > 0,10			Accept H_0^{5f}	Cell (f)
Interpretation H^{5f}	There is no evidence that suggests tarnishing had different effects on the low involvement/informational (FNB) and the high involvement/transformational (City Lodge) trademarks/brands as far as attitude accessibility is concerned.					
6	**Individual trademark/brand Blurring (B) vs. Individual trademark/brand Blurring (B)**					Table 7.36 Table 7.52
H_0^6: $\mu_{M,B} = \mu_{CL,B} = \mu_{FNB,B} = \mu_{N,B}$ H_a^6: $\mu_{M,B} \neq \mu_{CL,B} \neq \mu_{FNB,B} \neq \mu_{N,B}$	B vs.B	0,0017	<	0,01	Reject H_0^6	Table7.36
Interpretation H^6	There is very strong evidence at a 99% confidence level that suggests blurring had different effects on individual trademarks/brands (M; CL; FNB; N) as far as attitude accessibility is concerned.					
H_0^{6a}: $\mu_{M,B} = \mu_{CL,B}$ H_a^{6a}: $\mu_{M,B} \neq \mu_{CL,B}$	Momentum (H/In) B vs. City Lodge (H/Tr) B	p = 0,221064/2 = 0,110532 > 0,10			Accept H_0^{6a}	Cell (a)
Interpretation H^{6a}	There is no evidence that suggests blurring had different effects on the high involvement/informational (M) and the high involvement/transformational (CL) trademarks/brands as far as attitude accessibility is concerned.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_0^{6b}: $\mu_{M,B} = \mu_{FNB,B}$ H_a^{6b}: $\mu_{M,B} \neq \mu_{FNB,B}$	Momentum (H/In) B vs. FNB (L/In) B	p = 0,156050/2 = 0,078025 < 0,10			Reject H_0^{6b}	Cell (b)
Interpretation H^{6b}	There is weak evidence at a 90% confidence level that suggests blurring had different effects on the high involvement/informational (M) and the low involvement/transformational (FNB) trademarks/brands as far as attitude accessibility is concerned. Blurring made attitude accessibility for the high involvement/informational (M) trademark/brand slower but made attitude accessibility faster for the low involvement/informational (FNB) trademark/brand.					
H_0^{6c}: $\mu_{M,B} = \mu_{N,B}$ H_a^{6c}: $\mu_{M,B} \neq \mu_{N,B}$	Momentum (H/In) B vs. Nando's (L/Tr) B	p = 0,135655/2 = 0,0678275 < 0,10			Reject H_0^{6c}	Cell (c)
Interpretation H^{6c}	There is weak evidence at a 90% confidence level that suggests blurring had different effects on the high involvement/informational (M) and low involvement/transformational (N) trademarks/brands as far as attitude accessibility is concerned. Blurring made response attitude accessibility for the high involvement/informational (M) trademark/brand slower but made attitude accessibility faster for the low involvement/transformational (N) trademark/brand.					
H_0^{6d}: $\mu_{FNB,B} = \mu_{N,B}$ H_a^{6d}: $\mu_{FNB,B} \neq \mu_{N,B}$	FNB (L/In) B vs. Nando's (L/Tr) B	p = 0,000119/2 = 0,0000595 < 0,01			Reject H_0^{6d}	Cell (d)
Interpretation H^{6d}	There is very strong evidence at a 99% confidence level that suggests blurring had different effects on the low involvement/informational (FNB) and low involvement/transformational (N) trademarks/brands as far as attitude accessibility is concerned. Blurring made attitude accessibility for the low involvement/informational (FNB) trademark/brand faster but made attitude accessibility slower for the low involvement/transformational (N) trademark/brand.					

Hypothesis	Description	p value	Analysis	α	Decision	Reference
H_0^{6e}: $\mu_{CL,B} = \mu_{N,B}$ H_a^{6e}: $\mu_{CL,B} \neq \mu_{N,B}$	City Lodge (H/Tr) B vs. Nando's (L/Tr) B	p = 0,000660/2 = 0,00033 < 0,01			Reject H_0^{6e}	Cell (e)
Interpretation H^{6e}	There is very strong evidence at a 99% confidence level that suggests blurring had different effects on the high involvement/transformational (CL) and low involvement/transformational (N) trademarks/brands as far as attitude accessibility is concerned. Blurring made attitude accessibility for the high involvement/transformational (CL) trademark/brand faster but made attitude accessibility slower for the low involvement/transformational (N) trademark/brand.					
H_0^{6f}: $\mu_{FNB,B} = \mu_{CL,B}$ H_a^{6f}: $\mu_{FNB,B} \neq \mu_{CL,B}$	FNB (L/In) B vs. City Lodge (H/Tr) B	p = 0,700329/2 = 0,3501645 > 0,10			Accept H_0^{6f}	Cell (f)
Interpretation H^{6f}	There is no evidence that suggests blurring had different effects on the low involvement/informational (FNB) and high involvement/transformational (CL) trademarks/brands as far as attitude accessibility is concerned.					

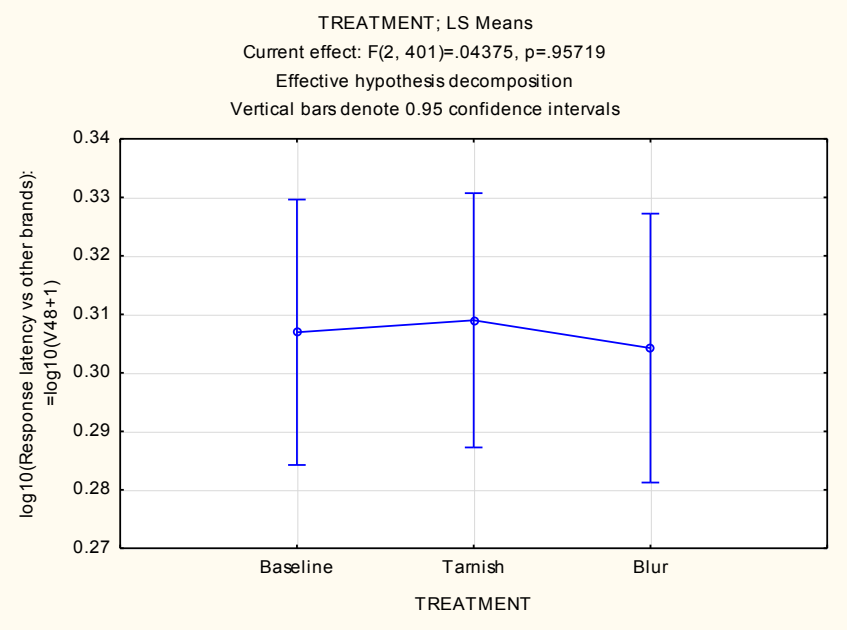

Figure 7.9: The effect of tarnishing and branding on attitude accessibility for combined trademarks/brands: confidence approach

Table 7.31: The effect of tarnishing and blurring on attitude accessibility for combined trademarks/brands: confidence approach

Cell No.	TREATMENT	log10(Response latency vs other brands) Mean	log10(Response latency vs other brands) Std.Err.	log10(Response latency vs other brands) -95.00%	log10(Response latency vs other brands) +95.00%	N
	TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(2, 401)=.04375, p=.95719 Effective hypothesis decomposition					
1	Baseline	0.30693	0.01154	0.28424	0.32963	135
2	Tarnish	0.30898	0.01105	0.28724	0.33072	147
3	Blur	0.30422	0.01169	0.28124	0.32720	131

Table 7.32: The effect of tarnishing and blurring on attitude accessibility for combined trademarks/brands: significance approach

Cell No.	TREATMENT	{1} .30507	{2} .30921	{3} .30432
	LSD test; variable log10(Response latency vs othe Probabilities for Post Hoc Tests Error: Between MSE = .01789, df = 401.00			
1	Baseline		0.795542	0.963249
2	Tarnish	0.795542		0.761045
3	Blur	0.963249	0.761045	

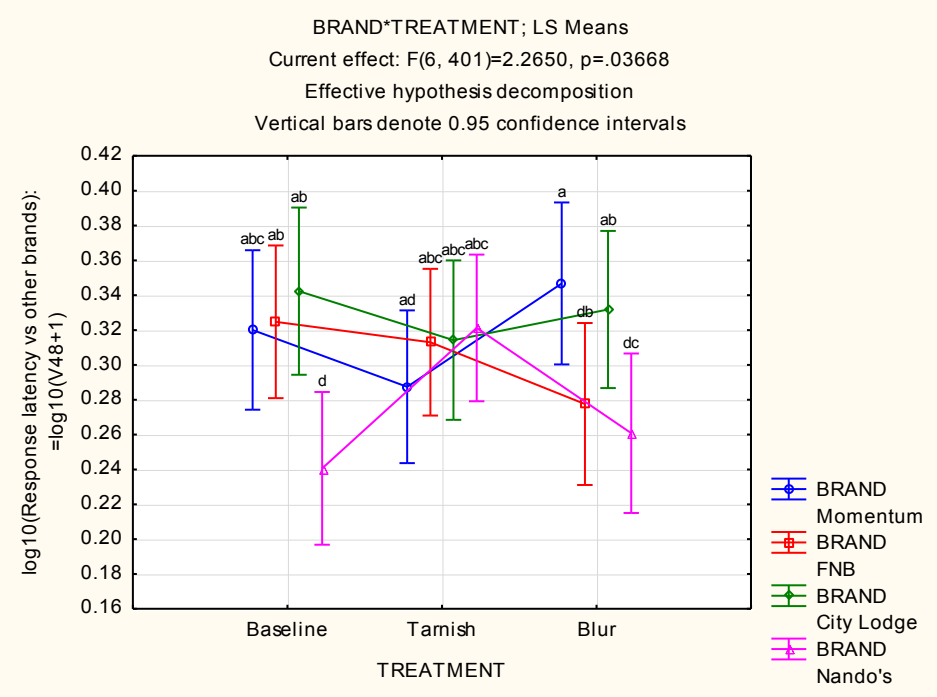

Figure 7.10: The effect of tarnishing and blurring on attitude accessibility for individual trademarks/brands: confidence approach

Table 7.33: The effect of tarnishing and blurring on attitude accessibility for individual trademarks/brands: confidence approach

Cell No.	BRAND	TREATMENT	log10(Response latency vs other brands) Mean	log10(Response latency vs other brands) Std.Err.	log10(Response latency vs other brands) -95.00%	log10(Response latency vs other brands) +95.00%	N
	BRAND*TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(6, 401)=2.2650, p=.03668 Effective hypothesis decomposition						
1	Momentun	Baseline	0.32005	0.02328	0.27428	0.36582	33
2	Momentun	Tarnish	0.28744	0.02229	0.24362	0.33127	36
3	Momentun	Blur	0.34675	0.02364	0.30027	0.39323	32
4	FNB	Baseline	0.32474	0.02229	0.28092	0.36856	36
5	FNB	Tarnish	0.31302	0.02141	0.27092	0.35512	39
6	FNB	Blur	0.27755	0.02364	0.23107	0.32403	32
7	City Lodge	Baseline	0.34233	0.02442	0.29433	0.39034	30
8	City Lodge	Tarnish	0.31422	0.02328	0.26845	0.36000	33
9	City Lodge	Blur	0.33179	0.02293	0.28670	0.37689	34
10	Nando's	Baseline	0.24061	0.02229	0.19679	0.28444	36
11	Nando's	Tarnish	0.32123	0.02141	0.27912	0.36333	39
12	Nando's	Blur	0.26080	0.02328	0.21503	0.30657	33

Table 7.34: The effect of tarnishing and blurring on attitude accessibility for individual trademarks/brands: significance approach

Cell No.	LSD test; variable log10(Response latency vs other brands) (Spreadsheet495 in resultate.stw) Probabilities for Post Hoc Tests Error: Between MSE = .01789, df = 401.00													
	BRAND	TREATMENT	{1} .32006	{2} .28745	{3} .34676	{4} .32474	{5} .31302	{6} .27756	{7} .34234	{8} .31423	{9} .33180	{10} .24062	{11} .32123	{12} .26080
1	Momentum	Baseline		0.312307	0.421532	0.884456	0.824202	0.201008	0.509428	0.859577	0.719652	0.014140	0.970399	0.072694
2	Momentum	Tarnish	0.312307		0.068723	0.237475	0.408498	0.760998	0.097678	0.406562	0.166352	0.138211	0.275098	0.409003
3	Momentum	Blur	0.421532	0.068723		0.498558	0.290993	0.039137	0.896609	0.327553	0.649990	0.001184	0.424134	0.009942
4	FNB	Baseline	0.884456	0.237475	0.498558		0.704806	0.147244	0.594980	0.744405	0.825613	0.007927	0.909588	0.047982
5	FNB	Tarnish	0.824202	0.408498	0.290993	0.704806		0.266890	0.367373	0.969680	0.550073	0.019655	0.786564	0.099589
6	FNB	Blur	0.201008	0.760998	0.039137	0.147244	0.266890		0.057386	0.269767	0.100439	0.256335	0.171749	0.613978
7	City Lodge	Baseline	0.509428	0.097678	0.896609	0.594980	0.367373	0.057386		0.405296	0.753232	0.002239	0.516221	0.016119
8	City Lodge	Tarnish	0.859577	0.406562	0.327553	0.744405	0.969680	0.269767	0.405296		0.591207	0.022916	0.824904	0.105492
9	City Lodge	Blur	0.719652	0.166352	0.649990	0.825613	0.550073	0.100439	0.753232	0.591207		0.004589	0.736561	0.030438
10	Nando's	Baseline	0.014140	0.138211	0.001184	0.007927	0.019655	0.256335	0.002239	0.022916	0.004589		0.009454	0.531488
11	Nando's	Tarnish	0.970399	0.275098	0.424134	0.909588	0.786564	0.171749	0.516221	0.824904	0.736561	0.009454		0.056835
12	Nando's	Blur	0.072694	0.409003	0.009942	0.047982	0.099589	0.613978	0.016119	0.105492	0.030438	0.531488	0.056835	

Table 7.35: The relative influence of tarnishing on attitude accessibility for different trademarks/brands

The relative influence of tarnishing on attitude accessibility for all trademarks/brands (H_5)

Depend.: ACCESSIBILITY	Kruskal-Wallis ANOVA by Ranks; ACCESSIBILITY (Spreadsheet1) Independent (grouping) variable: Var9 Kruskal-Wallis test: H (3, N= 145) =25.94475 p =.0000			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	36	2133.000	59.2500
FNB	102	38	2624.000	69.0526
City Lodge	103	33	1951.000	59.1212
Nando's	104	38	3877.000	102.0263

(a)The relative influence of tarnishing on attitude accessibility for H/In vs. H/Tr trademarks/brands (H_{5a})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	1258.000	1157.000	592.0000	-0.018019	0.985624	-0.018019	0.985624

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N City Lodge	2*1sided exact p
ACCESSIBILITY	36	33	0.985719

(b)The relative influence of tarnishing on attitude accessibility for H/In vs. L/In trademarks/brands (H_{5b})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	1240.000	1535.000	574.0000	-1.18422	0.236328	-1.18422	0.236328

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N FNB	2*1sided exact p
ACCESSIBILITY	36	38	0.237877

(c)The relative influence of tarnishing on attitude accessibility for H/In vs. L/Tr trademarks/brands (H_{5c})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	967.0000	1808.000	301.0000	-4.13665	0.000035	-4.13665	0.000035

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N Nando's	2*1sided exact p
ACCESSIBILITY	36	38	0.000019

(d)The relative influence of tarnishing on attitude accessibility for L/In vs. L/Tr trademarks/brands (H_{5d})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	1106.000	1820.000	365.0000	-3.70358	0.000213	-3.70358	0.000213

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000		
	Valid N FNB	Valid N Nando's	2*1sided exact p
ACCESSIBILITY	38	38	0.000150

(e)The relative influence of tarnishing on attitude accessibility for H/Tr vs. L/Tr trademarks/brands (H_{5e})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	825.0000	1731.000	264.0000	-4.17911	0.000029	-4.17911	0.000029

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000		
	Valid N City Lodge	Valid N Nando's	2*1sided exact p
ACCESSIBILITY	33	38	0.000015

(f)The relative influence of tarnishing on attitude accessibility for L/In vs. H/Tr trademarks/brands (H_{5f})

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	1465.000	1091.000	530.0000	1.112507	0.265921	1.112507	0.265921

variable	Mann-Whitney U Test (Spreadsheet1) By variable Var9 Marked tests are significant at p <.05000		
	Valid N FNB	Valid N City Lodge	2*1sided exact p
ACCESSIBILITY	38	33	0.267747

Table 7.36: The relative influence of blurring on attitude accessibility for different trademarks/brands

The relative influence of blurring on attitude accessibility for all trademarks/brands (H_6)

Depend.: ACCESSIBILITY	Kruskal-Wallis ANOVA by Ranks; ACCESSIBILITY (Spreadsheet55) Independent (grouping) variable: Var9 Kruskal-Wallis test: H (3, N= 124) =15.17433 p =.0017			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	31	2034.000	65.61290
FNB	102	31	1560.000	50.32258
City Lodge	103	34	1825.000	53.67647
Nando's	104	28	2331.000	83.25000

(a)The relative influence of blurring on attitude accessibility for H/In vs. H/Tr trademarks/brands (H_{6a})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	1117.000	1028.000	433.0000	1.228033	0.219436	1.228033	0.219436

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N City Lodge	2*1sided exact p
ACCESSIBILITY	31	34	0.221064

(b)The relative influence of blurring on attitude accessibility for H/In vs. L/In trademarks/brands (H_{6b})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	1078.000	875.0000	379.0000	1.421936	0.155046	1.421936	0.155046

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N FNB	2*1sided exact p
ACCESSIBILITY	31	31	0.156050

(c)The relative influence of blurring on attitude accessibility for H/In vs. L/Tr trademarks/brands (H_{6c})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	831.0000	939.0000	335.0000	-1.49517	0.134870	-1.49517	0.134870

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000		
	Valid N Momentum	Valid N Nando's	2*1sided exact p
ACCESSIBILITY	31	28	0.135655

(d)The relative influence of blurring on attitude accessibility for L/In vs. L/Tr trademarks/brands (H_{6d})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	684.0000	1086.000	188.0000	-3.72655	0.000194	-3.72655	0.000194

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000		
	Valid N FNB	Valid N Nando's	2*1sided exact p
ACCESSIBILITY	31	28	0.000119

(e)The relative influence of blurring on attitude accessibility for H/Tr vs. L/Tr trademarks/brands (H_{6e})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	835.0000	1118.000	240.0000	-3.33114	0.000865	-3.33114	0.000865

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000		
	Valid N City Lodge	Valid N Nando's	2*1sided exact p
ACCESSIBILITY	34	28	0.000660

(f)The relative influence of blurring on attitude accessibility for L/In vs. H/Tr trademarks/brands (H_{6f})

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000						
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value
ACCESSIBILITY	993.0000	1152.000	497.0000	-0.387454	0.698420	-0.387454	0.698420

variable	Mann-Whitney U Test (Spreadsheet55) By variable Var9 Marked tests are significant at p <.05000		
	Valid N FNB	Valid N City Lodge	2*1sided exact p
ACCESSIBILITY	31	34	0.700329

7.8 THE EFFECT OF TARNISHING AND BLURRING ON BRAND FAMILIARITY AS PRECURSOR TO BRAND ATTITUDE

Table 7.37: The effect of tarnishing and blurring on brand familiarity as precursor to brand attitude

Hypothesis	Description	P value	Analysis	α	Decision	Reference
1	**Individual treatments (BL; T; B) vs. Combined trademarks/brands (M; CL; FNB; N)**					Figure 7.11 Table 7.38 Table 7.39
H_0^1: $\mu_{BL} = \mu_T = \mu_B$ H_a^1: $\mu_{BL} \neq \mu_T \neq \mu_B$	BL vs. T vs. B	0,51742	>	0,10	Accept H_0^1	Table 7.38 Table 7.39
Interpretation H^1	There is no evidence that suggests tarnishing and blurring had an effect on all trademarks/brands as far as familiarity is concerned. There is no evidence that suggests tarnishing had an effect on all trademarks/brands as far as familiarity is concerned. There is no evidence that suggests blurring had an effect on all trademarks/brands as far as familiarity is concerned. There is no evidence that tarnishing and blurring had different effects on all trademarks/brands as far as familiarity is concerned.					
2	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Tarnishing (T)**					Figure 7.12 Table 7.40 Table 7.41
Interpretation H^2	The four null hypotheses are all accepted as there is no evidence (p-values > 0,10) that suggests tarnishing had an effect on individual (M; CL; FNB; N) trademarks/brands as far as familiarity is concerned.					
3	**Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Blurring (B)**					Figure 7.12 Table 7.40 Table 7.41

Hypothesis	Description	P value	Analysis	α	Decision	Reference
Interpretation H^3	The four null hypotheses are all accepted as there is no evidence (p-values > 0,10) that suggests blurring had an effect on individual (M; CL; FNB; N) trademarks/brands as far as familiarity is concerned.					
4	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Blurring (B)**					Figure 7.2 Table 7.4 Table 7.5
H_0^{4a}: $\mu_{M,T} = \mu_{M,B}$ H_a^{4a}: $\mu_{M,T} \neq \mu_{M,B}$	Momentum (H/In) T vs. B	0,982185	>	0,10	Accept H_0^{4a}	Cell 2; 3 Column (3); (2)
Interpretation H^{4a}	There is no evidence that suggests the effects of tarnishing and blurring are different for the high involvement/informational (M) trademark/brand as far as familiarity is concerned.					
H_0^{4b}: $\mu_{CL,T} = \mu_{CL,B}$ H_a^{4b}: $\mu_{CL,T} \neq \mu_{CL,B}$	City Lodge (H/Tr) T vs. B	0,596754	>	0,10	Accept H_0^{4b}	Cell 8; 9 Column (8); (9)
Interpretation H^{4b}	There is no evidence that suggests the effects of tarnishing and blurring are different for the high involvement/transformational (CL) trademark/brand as far as familiarity is concerned.					
H_0^{4c}: $\mu_{FNB,T} = \mu_{FNB,B}$ H_a^{4c}: $\mu_{FNB,T} \neq \mu_{FNB,B}$	FNB (L/In) T vs. B	0,999402	>	0,10	Accept H_0^{4c}	Cell 5; 6 Column (5); (6)
Interpretation H^{4c}	There is no evidence that suggests the effects of tarnishing and blurring are different for the low involvement/informational trademark/brand as far as familiarity is concerned.					
H_0^{4d}: $\mu_{N,T} = \mu_{N,B}$ H_a^{4d}: $\mu_{N,T} \neq \mu_{N,B}$	Nando's (L/Tr) T vs. B	0,089626	<	0,10	Reject H_0^{4d}	Cell 11; 12 Column (11); (12)
Interpretation H^{4d}	There is weak statistical evidence at a 90% confidence level that suggests the effects of tarnishing and blurring are different for the low involvement/transformational trademark/brand as far as familiarity is concerned. Tarnishing					

Hypothesis	Description	P value	Analysis	α	Decision	Reference
	decreased familiarity slightly while blurring increased familiarity somewhat for the low involvement/transformational (N) trademark/brand.					
5	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Tarnishing (T)**					Table 7.42 Table 7.52
H_0^5: $\mu_{M,T} = \mu_{CL,T} = \mu_{FNB,T} = \mu_{N,T}$ H_a^5: $\mu_{M,T} \neq \mu_{CL,T} \neq \mu_{FNB,T} \neq \mu_{N,T}$	T vs.T	0,4806	>	0,10	Accept H_0^5	Table 7.42 Table 7.52
Interpretation H^5	The six null hypotheses are all accepted as there is no evidence that suggests tarnishing had different effects on individual (M; CL; FNB; N) trademarks/brands as far as familiarity is concerned.					
6	**Individual trademark/brand Blurring (B) vs. Individual trademark/brand Blurring (B)**					Table 7.43 Table 7.52
H_0^6: $\mu_{M,B} = \mu_{CL,B} = \mu_{FNB,B} = \mu_{N,B}$ H_a^6: $\mu_{M,B} \neq \mu_{CL,B} \neq \mu_{FNB,B} \neq \mu_{N,B}$	B vs. B	0,3000	>	0,10	Accept H_0^6	Table 7.43 Table 7.52
Interpretation H^6	The six null hypotheses are all accepted as there is no evidence that suggests blurring had different effects on individual (M; CL; FNB; N) trademarks/brands as far as familiarity is concerned.					

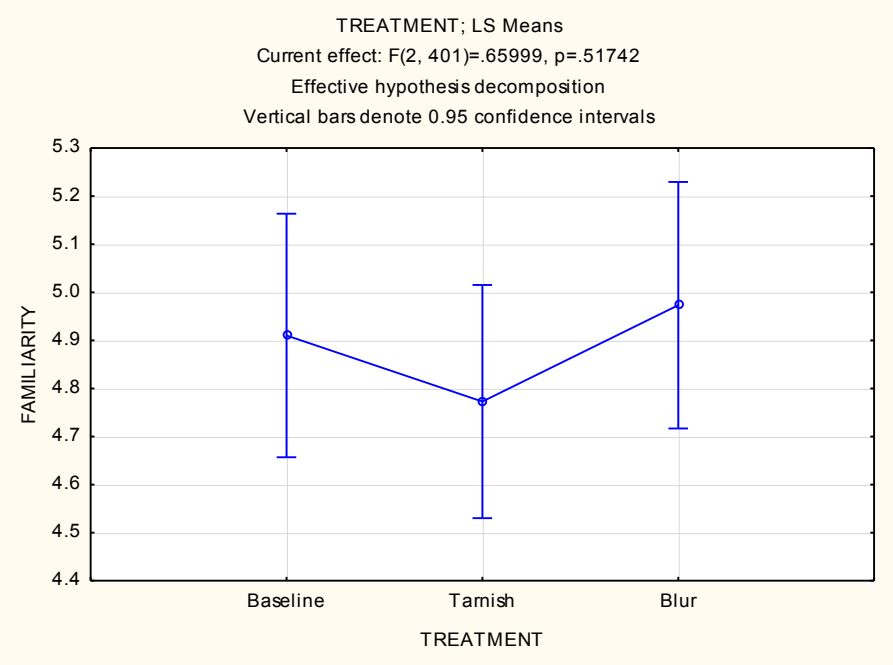

Figure 7.11: The effect of tarnishing and blurring on brand familiarity for combined trademarks/brands: confidence approach

Table 7.38: The effect of tarnishing and blurring on brand familiarity for combined trademarks/brands: confidence approach

Cell No.	TREATMENT	FAMILIARITY Mean	FAMILIARITY Std.Err.	FAMILIARITY -95.00%	FAMILIARITY +95.00%	N
	TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(2, 401)=.65999, p=.51742 Effective hypothesis decomposition					
1	Baseline	4.910185	0.128813	4.656953	5.163418	135
2	Tarnish	4.772760	0.123387	4.530193	5.015326	147
3	Blur	4.973151	0.130436	4.716727	5.229574	131

Table 7.39: The effect of tarnishing and blurring on brand familiarity for combined trademarks/brands: significance approach

Cell No.	TREATMENT	{1} 4.9136	{2} 4.7891	{3} 4.9796
	LSD test; variable FAMILIARITY (Spreadsheet495 Probabilities for Post Hoc Tests Error: Between MSE = 2.2274, df = 401.00			
1	Baseline		0.484581	0.718338
2	Tarnish	0.484581		0.288640
3	Blur	0.718338	0.288640	

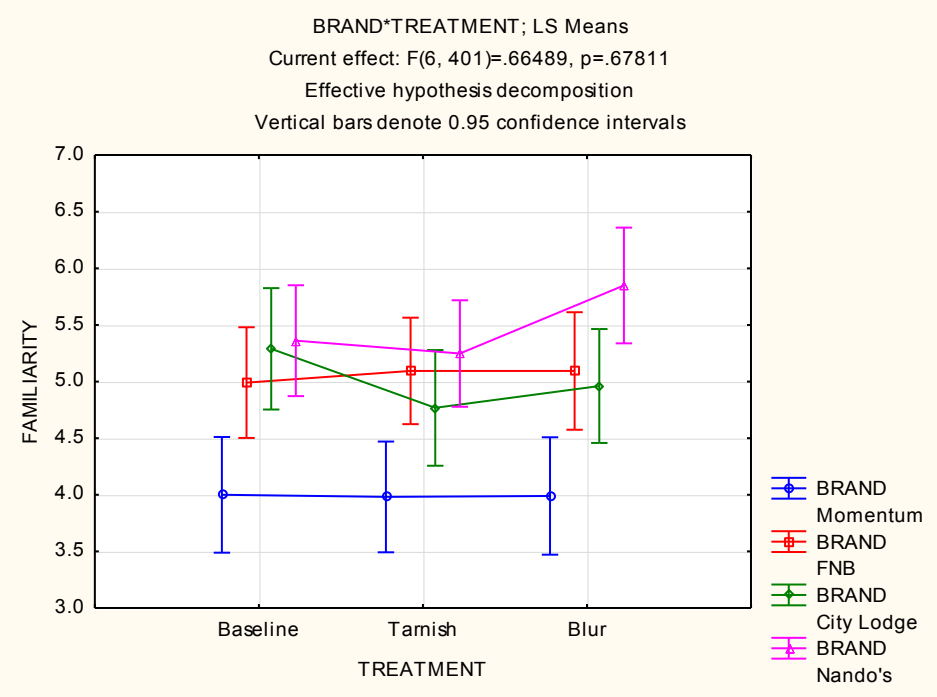

Figure 7.12: The effect of tarnishing and blurring on brand familiarity for individual trademarks/brands: confidence approach

Table 7.40: The effect of tarnishing and blurring on brand familiarity for individual trademarks/brands: confidence approach

Cell No.	BRAND*TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(6, 401)=.66489, p=.67811 Effective hypothesis decomposition BRAND	TREATMENT	FAMILIARITY Mean	FAMILIARITY Std.Err.	FAMILIARITY -95.00%	FAMILIARITY +95.00%	N
1	Momentum	Baseline	4.000000	0.259799	3.489261	4.510739	33
2	Momentum	Tarnish	3.981481	0.248739	3.492486	4.470477	36
3	Momentum	Blur	3.989583	0.263827	3.470926	4.508241	32
4	FNB	Baseline	4.990741	0.248739	4.501746	5.479736	36
5	FNB	Tarnish	5.094017	0.238981	4.624206	5.563828	39
6	FNB	Blur	5.093750	0.263827	4.575092	5.612408	32
7	City Lodge	Baseline	5.288889	0.272480	4.753222	5.824556	30
8	City Lodge	Tarnish	4.767677	0.259799	4.256938	5.278415	33
9	City Lodge	Blur	4.960784	0.255950	4.457613	5.463956	34
10	Nando's	Baseline	5.361111	0.248739	4.872116	5.850106	36
11	Nando's	Tarnish	5.247863	0.238981	4.778052	5.717675	39
12	Nando's	Blur	5.848485	0.259799	5.337746	6.359224	33

Table 7.41: The effect of tarnishing and blurring on brand familiarity for individual trademarks/brands: significance approach

Cell No.	LSD test; variable FAMILIARITY (Spreadsheet495 in resultate.stw) Probabilities for Post Hoc Tests Error: Between MSE = 2.2274, df = 401.00													
	BRAND	TREATMENT	{1} 4.0000	{2} 3.9815	{3} 3.9896	{4} 4.9907	{5} 5.0940	{6} 5.0938	{7} 5.2889	{8} 4.7677	{9} 4.9608	{10} 5.3611	{11} 5.2479	{12} 5.8485
1	Momentum	Baseline		0.958963	0.977570	0.006145	0.002077	0.003323	0.000682	0.037300	0.008754	0.000178	0.000455	0.000001
2	Momentum	Tarnish	0.958963		0.982185	0.004334	0.001361	0.002305	0.000441	0.029405	0.006345	0.000103	0.000274	0.000000
3	Momentum	Blur	0.977570	0.982185		0.006026	0.002054	0.003266	0.000676	0.036228	0.008561	0.000179	0.000456	0.000001
4	FNB	Baseline	0.006145	0.004334	0.006026		0.764786	0.776489	0.419499	0.535491	0.933151	0.293031	0.456458	0.017554
5	FNB	Tarnish	0.002077	0.001361	0.002054	0.764786		0.999402	0.591097	0.355791	0.703794	0.439196	0.649207	0.033177
6	FNB	Blur	0.003323	0.002305	0.003266	0.776489	0.999402		0.607183	0.379043	0.717743	0.461339	0.665294	0.042172
7	City Lodge	Baseline	0.000682	0.000441	0.000676	0.419499	0.591097	0.607183		0.167001	0.380652	0.844900	0.909932	0.137967
8	City Lodge	Tarnish	0.037300	0.029405	0.036228	0.535491	0.355791	0.379043	0.167001		0.596754	0.099743	0.174496	0.003454
9	City Lodge	Blur	0.008754	0.006345	0.008561	0.933151	0.703794	0.717743	0.380652	0.596754		0.262678	0.412808	0.015366
10	Nando's	Baseline	0.000178	0.000103	0.000179	0.293031	0.439196	0.461339	0.844900	0.099743	0.262678		0.742846	0.176169
11	Nando's	Tarnish	0.000455	0.000274	0.000456	0.456458	0.649207	0.665294	0.909932	0.174496	0.412808	0.742846		0.089626
12	Nando's	Blur	0.000001	0.000000	0.000001	0.017554	0.033177	0.042172	0.137967	0.003454	0.015366	0.176169	0.089626	

Table 7.42: The relative influence of tarnishing on brand familiarity for different trademarks/brands

The relative influence of tarnishing on brand familiarity for all trademarks/brands (H_5)

Depend.: FAMILIARITY	Kruskal-Wallis ANOVA by Ranks; FAMILIARITY (Spreadsheet1) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 147) =2.470504 p =.4806			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	36	2752.000	76.44444
FNB	102	39	3157.000	80.94872
City Lodge	103	33	2175.000	65.90909
Nando's	104	39	2794.000	71.64103

Table 7.43: The relative influence of blurring on brand familiarity for different trademarks/brands

The relative influence of blurring on brand familiarity for all trademarks/brands (H_6)

Depend.: FAMILIARITY	Kruskal-Wallis ANOVA by Ranks; FAMILIARITY (Spreadsheet22) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 131) =3.665034 p =.3000			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	32	1925.000	60.15625
FNB	102	32	2267.000	70.84375
City Lodge	103	34	2021.000	59.44118
Nando's	104	33	2433.000	73.72727

7.9 THE EFFECT OF TARNISHING AND BLURRING ON BRAND LOYALTY AS SUCCESSOR TO BRAND ATTITUDE

Table 7.44: The effect of tarnishing and blurring on brand loyalty as successor to brand attitude

Hypothesis	Description	P value	Analysis	α	Decision	Reference
1	**Individual treatments (BL; T; B) vs. Combined trademarks/brands (M; CL; FNB; N)**					Figure 7.13 Table 7.45 Table 7.46
H_0^1: $\mu_{BL} = \mu_T = \mu_B$ H_a^1: $\mu_{BL} \neq \mu_T \neq \mu_B$	BL vs. T vs. B	O,68669	>	0,10	Accept H_0^1	Table 7.45 Table 7.46
Interpretation H^1	There is no evidence that suggests tarnishing and blurring had an effect on all trademarks/brands as far as brand loyalty is concerned. There is no evidence that suggests tarnishing had an effect on all trademarks/brands as far as brand loyalty is concerned. There is no evidence that suggests blurring had an effect on all trademarks/brands as far as brand familiarity is concerned. There is no evidence that suggests tarnishing and blurring had different effects on all trademarks/brands as far as brand familiarity is concerned.					
2	**Individual trademark/brand (M; CL; FNB; N) Baseline vs. Individual trademark/brand Tarnishing (T)**					Figure 7.14 Table 7.47 Table 7.48
Interpretation H^2	The four null hypotheses are all accepted as there is no evidence (p-values > 0,10) that suggests tarnishing had an effect on individual (M; CL; FNB; N) trademarks/brands as far as brand loyalty is concerned.					
3	**Individual trademark/brand (M; CL; FNB; N) Baseline (BL) vs. Individual trademark/brand Blurring (B)**					Figure 7.14 Table 7.47

Hypothesis	Description	P value	Analysis	α	Decision	Reference
						Table 7.48
H_0^{3a}: $\mu_{M,BL} = \mu_{M,B}$ H_a^{3a}: $\mu_{M,BL} \neq \mu_{M,B}$	Momentum (H/In) BL vs. B	0,512472	>	0,10	Accept H_0^{3a}	Cell 1; 3 Column (1); (3)
Interpretation H^{3a}	There is no evidence that suggests blurring had an effect on the high involvement/informational (M) trademark/brand as far as brand loyalty is concerned.					
H_0^{3b}: $\mu_{CL,BL} = \mu_{CL,B}$ H_a^{3a}: $\mu_{CL,BL} \neq \mu_{CL,B}$	City Lodge (H/Tr) BL vs. B	0,583297	>	0,10	Accept H_0^{3b}	Cell 7; 9 Column (7); (9)
Interpretation H^{3b}	There is no evidence that suggests blurring had an effect on the high involvement/transformational (CL) trademark/brand as far as brand loyalty is concerned.					
H_0^{3c}: $\mu_{FNB,BL} = \mu_{FNB,B}$ H_a^{3c}: $\mu_{FNB,BL} \neq \mu_{FNB,B}$	FNB (L/In) BL vs. B	0,086606	<	0,10	Reject H_0^{3c}	Cell 4; 6 Column (4); (6)
Interpretation H^{3c}	There is weak evidence at a 90% confidence level that suggests blurring had an effect on the low involvement/informational (FNB) trademark/brand as far as brand loyalty is concerned, increasing brand loyalty.					
H_0^{3d}: $\mu_{N,BL} = \mu_{N,B}$ H_a^{3d}: $\mu_{N,BL} \neq \mu_{N,B}$	Nando's (L/Tr) BL vs. B	0,456851	>	0,10	Accept H_0^{3d}	Cell 10; 12 Column (10); (12)
Interpretation H^{3d}	There is no evidence that suggests blurring had an effect on the low involvement/transformational (N) trademark/brand as far as brand loyalty is concerned.					
4	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Blurring (B)**					Figure 7.14 Table 7.47 Table 7.48
Interpretation H^4	The four null hypotheses are all accepted as there is no evidence that suggests tarnishing and blurring had					

Hypothesis	Description	P value	Analysis	α	Decision	Reference
	different effects on individual (M; CL; FNB; N) trademarks/brands as far as brand loyalty is concerned.					
5	**Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Tarnishing (T)**					Table 7.49 Table 7.52
H_0^5: $\mu_{M,T} = \mu_{CL,T} = \mu_{FNB,T} = \mu_{N,T}$ H_a^5: $\mu_{M,T} \neq \mu_{CL,T} \neq \mu_{FNB,T} \neq \mu_{N,T}$	T vs. T	0,3648	>	0,10	Accept H_0^5	Table 7.49 Table 7.52
Interpretation H^5	The six null hypotheses are all accepted as there is no evidence that suggests tarnishing had different effects on individual (M; CL; FNB; N) trademarks/brands as far as familiarity is concerned.					
6	**Individual trademark/brand Blurring (B) vs. Individual trademark/brand Blurring (B)**					Table 7.50 Table 7.52
H_0^6: $\mu_{M,B} = \mu_{CL,B} = \mu_{FNB,B} = \mu_{N,B}$ H_a^6: $\mu_{M,B} \neq \mu_{CL,B} \neq \mu_{FNB,B} \neq \mu_{N,B}$	B vs. B	0,0628	<	0,10	Reject H_0^6	Table 7.50
Interpretation H^6	There is weak evidence at a 90% confidence level that suggests blurring had different effects on individual trademarks/brands (M; Cl; FNB; N) as far as brand loyalty is concerned.					
H_0^{6a}: $\mu_{M,B} = \mu_{CL,B}$ H_a^{6a}: $\mu_{M,B} \neq \mu_{CL,B}$	Momentum (H/In) B vs. City Lodge (H/Tr) B	p = 0,774303/2 = 0,387152 > 0,10			Accept H_0^{6a}	Cell (a)
Interpretation H^{6a}	There is no evidence that suggests blurring had different effects on the high involvement/informational (M) and					

Hypothesis	Description	P value	Analysis	α	Decision	Reference
	high involvement/transformational (CL) trademarks/brands as far as brand loyalty is concerned.					
H_0^{6b}: $\mu_{M,B} = \mu_{FNB,B}$ H_a^{6b}: $\mu_{M,B} \neq \mu_{FNB,B}$	Momentum (H/In) B vs. FNB (L/In) B	0,040012/2 = 0,020006 < 0,05			Reject H_0^{6b}	Cell (b)
Interpretation H^{6b}	There is strong evidence at a 95% confidence level that suggests blurring had a different effect on the high involvement/informational (M) and low involvement/informational (FNB) trademarks/brands as far as brand loyalty is concerned. Blurring decreased brand loyalty for the high involvement/informational (M) trademark/brand but increased loyalty for the low involvement/informational (FNB) trademark/brand.					
H_0^{6c}: $\mu_{M,B} = \mu_{N,B}$ H_a^{6c}: $\mu_{M,B} \neq \mu_{N,B}$	Momentum (H/In) B vs. Nando's (L/Tr) B	0,075295/2 = 0,037648 < 0,05			Reject H_0^{6c}	Cell (c)
Interpretation H^{6c}	There is strong evidence at a 95% confidence level that suggests blurring had a different effect on the high involvement/informational (M) and low involvement/transformational (N) trademarks/brands as far as brand loyalty is concerned. Blurring decreased brand loyalty for the high involvement/informational (M) trademark/brand but increased loyalty for the low involvement/transformational (N) trademark/brand.					
H_0^{6d}: $\mu_{FNB,B} = \mu_{N,B}$ H_a^{6d}: $\mu_{FNB,B} \neq \mu_{N,B}$	FNB (L/In) B vs. Nando's (L/Tr) B	0,299044/2 = 0,149522 > 0,10			Accept H_0^{6d}	Cell (d)
Interpretation H^{6d}	There is no evidence that suggests blurring had different effects on the low involvement/informational (FNB) and low involvement/transformational trademarks/brands as far as purchase intention is concerned.					
H_0^{6e}: $\mu_{CL,B} = \mu_{N,B}$ H_a^{6e}: $\mu_{CL,B} \neq \mu_{N,B}$	City Lodge (H/Tr) B vs. Nando's (L/Tr) B	0,128164/2 = 0,064082 < 0,10			Reject H_0^{6e}	Cell (e)
Interpretation H^{6e}	There is weak evidence at a 90% confidence level that suggests blurring had a different effect on the high involvement/transformational (CL) and low involvement/transformational (N) trademarks/brands as far as brand					

Hypothesis	Description	P value	Analysis	α	Decision	Reference
	loyalty is concerned. Blurring decreased brand loyalty for the high involvement/transformational (CL) trademark/brand but increased loyalty for the low involvement/transformational (N) trademark/brand.					
H_0^{6f}: $\mu_{FNB,B} = \mu_{CL,B}$ H_a^{6f}: $\mu_{FNB,B} \neq \mu_{CL,B}$	FNB (L/In) B vs. City Lodge (H/Tr) B	0,046960/2 = 0,02348 < 0,05			Reject H_0^{6f}	Cell (f)
Interpretation H^{6f}	There is strong evidence at a 95% confidence level that suggests blurring had a different effect on the low involvement/informational (FNB) and high involvement/transformational (CL) trademarks/brands as far as brand loyalty is concerned. Blurring increased brand loyalty for the low involvement/informational (FNB) trademark/brand but decreased loyalty for the high involvement/transformational (CL) trademark/brand.					

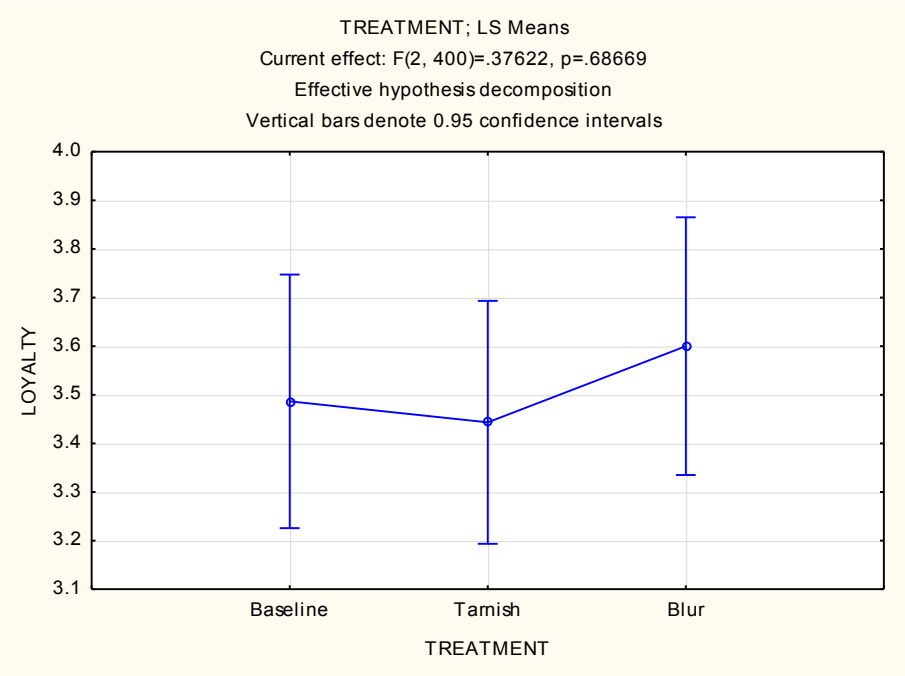

Figure 7.13: The effect of tarnishing and blurring on brand loyalty for combined trademarks/brands: confidence approach

Table 7.45: The effect of tarnishing and blurring on brand loyalty for combined trademarks/brands: confidence approach

	TREATMENT; LS Means (Spreadsheet495 in resultate.stw) Current effect: F(2, 400)=.37622, p=.68669 Effective hypothesis decomposition					
Cell No.	TREATMEN	LOYALTY Mean	LOYALTY Std.Err.	LOYALTY -95.00%	LOYALTY +95.00%	N
1	Baseline	3.48645	0.13266	3.22565	3.74726	135
2	Tarnish	3.44323	0.12707	3.19340	3.69305	147
3	Blur	3.60008	0.13482	3.33502	3.86513	130

Table 7.46: The effect of tarnishing and blurring on brand loyalty for combined trademarks/brands: significance approach

	LSD test; variable LOYALTY (Spreadsheet495 in re Probabilities for Post Hoc Tests Error: Between MSE = 2.3625, df = 400.00			
Cell No.	TREATMENT	{1} 3.4907	{2} 3.4626	{3} 3.6038
1	Baseline		0.877951	0.549620
2	Tarnish	0.877951		0.445706
3	Blur	0.549620	0.445706	

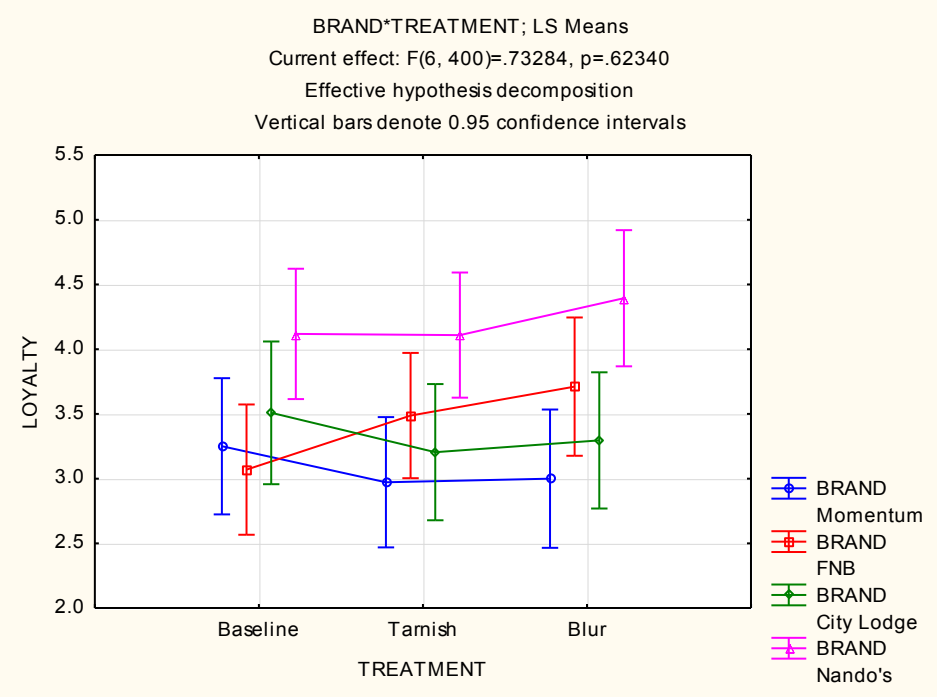

Figure 7.14: The effect of tarnishing and blurring on brand loyalty for individual trademarks/brands: confidence approach

Table 7.47: The effect of tarnishing and blurring on brand loyalty for individual trademarks/brands: confidence approach

BRAND*TREATMENT; LS Means (Spreadsheet495 in resultate.stw)
Current effect: F(6, 400)=.73284, p=.62340
Effective hypothesis decomposition

Cell No.	BRAND	TREATMENT	LOYALTY Mean	LOYALTY Std.Err.	LOYALTY -95.00%	LOYALTY +95.00%	N
1	Momentum	Baseline	3.250000	0.267567	2.723986	3.776014	33
2	Momentum	Tarnish	2.972222	0.256176	2.468602	3.475842	36
3	Momentum	Blur	3.000000	0.271716	2.465830	3.534170	32
4	FNB	Baseline	3.069444	0.256176	2.565824	3.573065	36
5	FNB	Tarnish	3.487179	0.246126	3.003317	3.971042	39
6	FNB	Blur	3.710938	0.271716	3.176768	4.245107	32
7	City Lodge	Baseline	3.508333	0.280627	2.956645	4.060022	30
8	City Lodge	Tarnish	3.204545	0.267567	2.678531	3.730560	33
9	City Lodge	Blur	3.295455	0.267567	2.769440	3.821469	33
10	Nando's	Baseline	4.118056	0.256176	3.614435	4.621676	36
11	Nando's	Tarnish	4.108974	0.246126	3.625112	4.592837	39
12	Nando's	Blur	4.393939	0.267567	3.867925	4.919954	33

Table 7.48: The effect of tarnishing and blurring on brand loyalty for individual trademarks/brands: significance approach

Cell No.	LSD test; variable LOYALTY (Spreadsheet495 in resultate.stw) Probabilities for Post Hoc Tests Error: Between MSE = 2.3625, df = 400.00												
	BRAND	TREATMENT	{1} 3.2500	{2} 2.9722	{3} 3.0000	{4} 3.0694	{5} 3.4872	{6} 3.7109	{7} 3.5083	{8} 3.2045	{9} 3.2955	{10} 4.1181	{11} 4.1090	{12} 4.3939
1	Momentum	Baseline		0.453769	0.512472	0.626227	0.514522	0.227483	0.505635	0.904445	0.904445	0.019599	0.018619	0.002663
2	Momentum	Tarnish	0.453769		0.940742	0.788564	0.147967	0.048598	0.159043	0.530905	0.383412	0.001682	0.001485	0.000144
3	Momentum	Blur	0.512472	0.940742		0.852571	0.184654	0.065033	0.193884	0.591992	0.438930	0.002925	0.002648	0.000291
4	FNB	Baseline	0.626227	0.788564	0.852571		0.240342	0.086606	0.248756	0.715518	0.542123	0.004007	0.003627	0.000392
5	FNB	Tarnish	0.514522	0.147967	0.184654	0.240342		0.541988	0.954835	0.437369	0.598232	0.076517	0.074795	0.013028
6	FNB	Blur	0.227483	0.048598	0.065033	0.086606	0.541988		0.604272	0.184962	0.276577	0.276286	0.278264	0.074042
7	City Lodge	Baseline	0.505635	0.159043	0.193884	0.248756	0.954835	0.604272		0.433809	0.583297	0.109359	0.108375	0.022894
8	City Lodge	Tarnish	0.904445	0.530905	0.591992	0.715518	0.437369	0.184962	0.433809		0.810261	0.014079	0.013262	0.001795
9	City Lodge	Blur	0.904445	0.383412	0.438930	0.542123	0.598232	0.276577	0.583297	0.810261		0.026933	0.025791	0.003901
10	Nando's	Baseline	0.019599	0.001682	0.002925	0.004007	0.076517	0.276286	0.109359	0.014079	0.026933		0.979619	0.456851
11	Nando's	Tarnish	0.018619	0.001485	0.002648	0.003627	0.074795	0.278264	0.108375	0.013262	0.025791	0.979619		0.433601
12	Nando's	Blur	0.002663	0.000144	0.000291	0.000392	0.013028	0.074042	0.022894	0.001795	0.003901	0.456851	0.433601	

Table 7.49: The relative influence of tarnishing on brand loyalty for different trademarks/brands

The relative influence of tarnishing on brand loyalty for all trademarks/brands (H_5)

Depend.: LOYALTY	Kruskal-Wallis ANOVA by Ranks; LOYALTY (Spreadsheet1) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 147) =3.179195 p =.3648			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	36	2472.000	68.66667
FNB	102	39	3259.000	83.56410
City Lodge	103	33	2246.000	68.06061
Nando's	104	39	2901.000	74.38462

Table 7.50: The relative influence of blurring on brand loyalty for different trademarks/brands

The relative influence of blurring on brand loyalty for all trademarks/brands (H_6)

Depend.: LOYALTY	Kruskal-Wallis ANOVA by Ranks; LOYALTY (Spreadsheet22) Independent (grouping) variable: Var1 Kruskal-Wallis test: H (3, N= 131) =7.305825 p =.0628			
	Code	Valid N	Sum of Ranks	Mean Rank
Momentum	101	32	1846.000	57.68750
FNB	102	32	2500.000	78.12500
City Lodge	103	34	1944.000	57.17647
Nando's	104	33	2356.000	71.39394

(a)The relative influence of blurring on brand loyalty for H/In vs. H/Tr trademarks/brands (H_{6a})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum Momentum	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N Momentum
LOYALTY	1095.000	1116.000	521.0000	0.288683	0.772824	0.288988	0.772591	32

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
LOYALTY	34	0.774303

(b)The relative influence of blurring on brand loyalty for H/In vs. L/In trademarks/brands (H_{6b})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum Momentum	Rank Sum FNB	U	Z	p-value	Z adjusted	p-value	Valid N Momentum
LOYALTY	887.0000	1193.000	359.0000	-2.04764	0.040596	-2.04919	0.040444	32

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000	
	Valid N FNB	2*1sided exact p
LOYALTY	32	0.040012

(c)The relative influence of blurring on brand loyalty for H/In vs. L/Tr trademarks/brands (H_{6c})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum Momentum	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N Momentum
LOYALTY	920.0000	1225.000	392.0000	-1.77798	0.075409	-1.78014	0.075055	32

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
LOYALTY	33	0.075295

(d)The relative influence of blurring on brand loyalty for L/In vs. L/Tr trademarks/brands (H_{6d})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N FNB
LOYALTY	1136.000	1009.000	448.0000	1.043167	0.296872	1.044000	0.296486	32

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
LOYALTY	33	0.299044

(e)The relative influence of blurring on brand loyalty for H/Tr vs. L/Tr trademarks/brands (H_{6e})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum City Lodge	Rank Sum Nando's	U	Z	p-value	Z adjusted	p-value	Valid N City Lodge
LOYALTY	1034.000	1244.000	439.0000	-1.52376	0.127570	-1.52540	0.127160	34

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000	
	Valid N Nando's	2*1sided exact p
LOYALTY	33	0.128164

(f)The relative influence of blurring on brand loyalty for L/In vs. H/Tr trademarks/brands (H_{6f})

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000							
	Rank Sum FNB	Rank Sum City Lodge	U	Z	p-value	Z adjusted	p-value	Valid N FNB
LOYALTY	1227.000	984.0000	389.0000	1.982290	0.047448	1.983595	0.047302	32

variable	Mann-Whitney U Test (Spreadsheet10) By variable Var1 Marked tests are significant at p <.05000	
	Valid N City Lodge	2*1sided exact p
LOYALTY	34	0.046960

Table 7.51: Response variable averages for individual trademarks/brands after correcting for baseline: Hypotheses 5 and 6

	Averages after correcting for baseline						
	AFFECT	COGNITION	STRENGTH	ACCESSIBILITY	PURCHASE INTENTION	FAMILIARITY	LOYALTY
Momentum Tarnish	-0.4738	-0.4681	-0.7781	-0.1177	-0.2811	-0.0185	-0.2778
FNB Tarnish	0.3835	0.1466	0.3486	0.0203	0.1717	0.1033	0.4177
City Lodge Tarnish	-0.0580	-1.0913	-1.2330	-0.1092	-0.2768	-0.5212	-0.3038
Nando's Tarnish	-0.3341	-0.4001	-0.6456	0.3928	-0.1325	-0.1132	-0.0091
Momentum Blur	-0.2273	-0.2294	0.0092	0.1560	0.1124	-0.0104	-0.2500
FNB Blur	0.7296	0.4701	0.5833	-0.1232	0.0579	0.1030	0.6415
City Lodge Blur	-0.2184	-0.4172	-0.5711	-0.0304	-0.2176	-0.3281	-0.2314
Nando's Blur	0.5464	-0.0533	0.4523	0.2810	0.2576	0.4874	0.2759

Strength refers to attitude valence and stability.

7.10 SUMMARY

Table 7.52 below summarises the results of the hypotheses discussed above.

R indicates that the null hypothesis was rejected and A that the hypothesis was accepted.

Table 7.52: Hypotheses summary

H_0	Affect	Cognition	Valence and stability	Purchase Intention	Accessibility	Familiarity	Loyalty
Individual treatments (BL; T; B) vs. Combined trademarks/brands (M; CL; FNB; N)							
H_0^{1}	R at 10%	R at 1%	R at 1%	A	A	A	A
H_0^{1a}	A	R at 1%	R at 5%	A	A	A	A
H_0^{1b}	A	A	A	A	A	A	A
H_0^{1c}	R at 10%	R at 1%	R at 1%	A	A	A	A
Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Tarnishing (T)							
H_0^{2a}	R at 10%	R at 10%	R at 10%	A	A	A	A
H_0^{2b}	A	R at 1%	R at 1%	A	A	A	A
H_0^{2c}	A	A	A	A	A	A	A
H_0^{2d}	A	A	A	A	R at 1%	A	A
Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Blurring (B)							
H_0^{3a}	A	A	A	A	A	A	A
H_0^{3b}	A	A	A	A	A	A	A
H_0^{3c}	R at 5%	R at 10%	A	A	A	A	R at 10%
H_0^{3d}	R at 5%	A	A	A	A	A	A
Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Blurring (B)							
H_0^{4a}	A	A	R at 10%	A	R at 10%	A	A
H_0^{4b}	A	R at 5%	A	A	A	A	A
H_0^{4c}	A	A	A	A	A	A	A
H_0^{4d}	R at 1%	A	R at 5%	A	R at 10%	R at 10%	A
Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Tarnishing (T)							
H_0^{5a}	R at 5%	R at 5%	A	A	A	A	A
H_0^{5b}	R at 1%	R at 1%	R at 5%	R at 1%	A	A	A
H_0^{5c}	A	A	A	A	R at 1%	A	A
H_0^{5d}	R at 5%	R at 1%	R at 5%	R at 5%	R at 1%	A	A
H_0^{5e}	A	R at 5%	R at 10%	A	R at 1%	A	A
H_0^{5f}	R at 10%	R at 1%	R at 5%	R at 5%	A	A	A
Individual trademark/brand Blurring (B) vs. Individual trademark/brand Blurring (B)							
H_0^{6a}	A	A	R at 10%	R at 5%	A	A	A
H_0^{6b}	R at 1%	R at 1%	A	A	R at 10%	A	R at 5%
H_0^{6c}	R at 1%	A	A	A	R at 10%	A	R at 5%
H_0^{6d}	A	R at 1%	A	A	R at 1%	A	A
H_0^{6e}	R at 1%		R at 5%	R at 10%	R at 1%	A	R at 10%
H_0^{6f}	R at 1%	R at 1%	R at 5%	R at 1%	A	A	R at 5%

The results analysed in the above tables are interpreted in the final and last chapter of this study.

CHAPTER 8
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

8.1 INTRODUCTION

The last chapter commences with a discussion of the research findings. Hypotheses are discussed within a judicial context to ascertain whether there is evidence of trademark dilution. General trends emerging from accepted and rejected hypotheses are discussed within a marketing context to highlight the importance of trademark dilution. The chapter then discusses the theoretical and practical implications of the study. The limitations of the research are then set out and the implications for future research discussed. The chapter and study conclude with a summary of the research.

8.2 DISCUSSION OF FINDINGS

This section of the chapter firstly discusses the effect of trademark dilution on components of customer-based brand equity. The hypotheses are then interpreted from a judicial and a marketing context before limitations of the research are discussed in the next section.

Table 8.1 below shows the relative changes in components of customer-based brand equity, referred to throughout the discussions in this section.

Table 8.1: Relative changes in customer-based brand equity component

H_0	Affect		Cognition		Valence and stability		Accessibility		Purchase intention		Familiarity		Loyalty	
Individual treatments (BL; T; B) vs. Amalgamated trademarks/brands (M; CL; FNB; N)														
H_0^{1a}	-		-		-		-		-		-		-	
H_0^{1b}	+		-		+		+		+		+		+	
H_0^{1c}	-	+	-	-	-	+	-	+	-	+	-	+	-	+
Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Tarnishing (T)														
H_0^{2a}	-		-		-		+		-		-		-	
H_0^{2b}	-		-		-		+		-		-		-	
H_0^{2c}	+		+		+		-		+		+		+	
H_0^{2d}	-		-		-		-		-		-		-	
Individual trademark/brand Baseline (BL) vs. Individual trademark/brand Blurring (B)														
H_0^{3a}	-		-		+		-		+		-		-	
H_0^{3b}	-		-		-		+		-		-		-	
H_0^{3c}	+		+		+		+		+		+		+	
H_0^{3d}	+		-		+		-		+		+		+	
Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Blurring (B)														
H_0^{4a}	-	-	-	-	-	+	+	-	-	+	-	-	-	-
H_0^{4b}	-	-	-	-	-	-	+	+	-	-	-	-	-	-
H_0^{4c}	+	+	+	+	+	+	-	+	+	+	+	+	+	+
H_0^{4d}	-	+	-	-	-	+	-	-	-	+	-	+	-	+
Individual trademark/brand Tarnishing (T) vs. Individual trademark/brand Tarnishing (T)														
H_0^{5a}	-	-	-	-	-	-	+	+	-	-	-	-	-	-
H_0^{5b}	-	+	-	+	-	+	+	-	-	+	-	+	-	+
H_0^{5c}	-	-	-	-	-	-	+	-	-	-	-	-	-	-
H_0^{5d}	+	-	+	-	+	-	-	-	+	-	+	-	+	-
H_0^{5e}	-	-	-	-	-	-	+	-	-	-	-	-	-	-
H_0^{5f}	+	-	+	-	+	-	-	+	+	-	+	-	+	-
Individual trademark/brand Blurring (B) vs. Individual trademark/brand Blurring (B)														
H_0^{6a}	-	-	-	-	+	-	-	+	+	-	-	-	-	-
H_0^{6b}	-	+	-	+	+	+	-	+	+	+	-	+	-	+
H_0^{6c}	-	+	-	-	+	+	-	-	+	+	-	+	-	+
H_0^{6d}	+	+	+	-	+	+	+	-	+	+	+	+	+	+
H_0^{6e}	-	+	-	-	-	+	+	-	-	+	-	+	-	+
H_0^{6f}	+	-	+	-	+	-	+	+	+	-	+	-	+	-

*For attitude accessibility: - indicates slower response; + indicates faster response

8.2.1 Research question one

The first research question considered whether tarnishing and blurring respectively had an effect (H^{1a} and H^{1b}) on the sub-components (affect; cognition; attitude valence and stability; attitude accessibility; purchase intention; brand familiarity; brand loyalty) of customer-based brand equity of the combined trademarks/brands (Momentum; City Lodge; FNB; Nando's) and if the effect was the same (H^{1c}) (Table 8.1).

8.2.1.1 The influence of trademark tarnishing on components of customer-based brand equity for combined trademarks/brands (H^{1a})

Trademark tarnishing had a highly significant effect ($p = 0{,}001795 < 0{,}01$; see Table 7.9) on the customer-based brand equity of combined trademarks/brands (Momentum; City Lodge; FNB; Nando's) as far as cognition was concerned. Cognition was made less favourable as a result of trademark tarnishing. Trademark tarnishing also had a significant effect ($p = 0{,}011835 < 0{,}05$; see Table 7.16) on the customer-based brand equity of combined trademarks/brands as far as attitude valence and stability were concerned. Attitude valence and stability were made weaker as a result of trademark/brand tarnishing. H_0^{1a} is thus rejected as far as cognition as well as attitude valence and stability of the combined trademarks/brands are concerned. Trademark tarnishing did not have a statistically significant effect on affect; attitude accessibility; purchase intention; brand familiarity; and brand loyalty. However, affect became less positive, attitude accessibility became slower, purchase intention decreased, and brand familiarity and brand loyalty were reduced, but not significantly so, as a result of trademark tarnishing. H_0^{1a} is therefore accepted as far as affect, attitude accessibility, purchase intention, brand familiarity, and brand loyalty of combined trademarks/brands are concerned.

Affect, cognition, attitude valence and stability, attitude accessibility, and purchase intention are sub-components of the brand attitude construct. These five sub-components are the core indicators of trademark/brand value. As two (cognition as well as attitude valence and stability) of the five sub-components of brand attitude were affected it may be said that trademark tarnishing has an effect on customer-based brand equity, that the effect is detrimental in nature and should be further investigated on individual trademarks/brands (Momentum; City Lodge; FNB; Nando's).

8.2.1.2 The influence of trademark blurring on components of customer-based brand equity for combined trademarks/brands (H^{1b})

Trademark blurring did not have any statistically significant effect on customer-based brand equity of the combined trademarks/brands (Momentum; City Lodge; FNB; Nando's) as far as affect; cognition; attitude valence and stability; attitude accessibility; purchase intention; brand familiarity and brand loyalty were concerned. However, trademark blurring did impair one component (cognition) of customer-based brand equity and enhanced the other six components (affect; attitude valence and stability; attitude accessibility; purchase intention; brand familiarity; brand loyalty). Cognition became less favourable; affect more positive, attitude valence and stability stronger; attitude accessibility faster; and brand familiarity as well as brand loyalty improved. H_0^{1b} is therefore accepted as far all seven components are concerned.

Even though none of the components of customer-based brand equity were significantly affected by trademark blurring, the effect of trademark blurring should be further investigated on individual trademarks/brands (Momentum; City Lodge; FNB; Nando's) as an effect (trademark blurring) that could be compared to trademark tarnishing.

8.2.1.3 The different or similar, but varying in intensity, effects of trademark tarnishing and blurring on components of customer-based brand equity for combined trademarks/brands (H^{1c})

Trademark tarnishing and blurring had significantly different or similar, but varying in intensity, effects on customer-based brand equity of their combined trademarks/brands (Momentum; City Lodge; FNB; Nando's) as far as affect, cognition as well as attitude valence and stability are concerned. H_0^{1c} is therefore rejected as far as affect, cognition as well as attitude valence and stability of the combined trademarks/brands are concerned. Significant but weak evidence ($p = 0{,}050576 < 0{,}10$; see Table 7.2) indicated that trademark tarnishing and blurring had different effects on affect. Trademark tarnishing made affect less positive while trademark blurring made affect more positive. Highly significant evidence ($p = 0{,}008298 < 0{,}01$; see Table 7.9) indicated that trademark tarnishing and blurring had similar, but varying in intensity, effects on cognition. Trademark tarnishing and blurring both made cognition less favourable, but trademark tarnishing had the greater effect compared to trademark blurring. Highly significant evidence ($p = 0{,}004155 < 0{,}10$; see Table 7.16) indicated that trademark tarnishing and blurring had

different effects on attitude valence and stability. Trademark tarnishing made attitude valence and stability weaker while trademark blurring made attitude valence and stability stronger. H_0^{1c} is accepted as far as attitude accessibility; purchase intention; brand familiarity and brand loyalty are concerned.

In the first instance, the findings indicate that trademark tarnishing and blurring have different consequences for some components (affect, attitude valence and stability, attitude accessibility, purchase intention, brand familiarity, brand loyalty) and similar, but varying in intensity, consequences for another component (cognition). This finding implies that for some components (the components that exhibit different consequences) trademark tarnishing and blurring have different effects while for another component (the component that exhibits similar, but varying in intensity consequences) trademark tarnishing and blurring have similar effects. This may mean that, when trademarks/brands are considered together, that a specific component of customer-based brand equity determines the nature, different or similar, but varying in intensity, of the effect. Furthermore, the effect of trademark tarnishing seems to occur after a single exposure to the tarnishing trademark, indicating that the inhibiting effect of trademark tarnishing occurs very fast. A brand manager should therefore be more alert to trademark tarnishing than blurring and also be prepared to act faster. Research question four expands on the discussion of Hypothesis 1.

8.2.2 Research question two

The second research question considered if trademark tarnishing had an effect on the customer-based brand equity of high involvement/informationally motivated (Momentum)(H^{2a}); high involvement/transformationally motivated (City Lodge)(H^{2b}); low involvement/informationally motivated (FNB)(H^{2c}); and low involvement/transformationally motivated (Nando's)(H^{2d}) trademarks/brands, as far as affect, cognition, attitude valence and stability, attitude accessibility, purchase intention, brand familiarity, brand loyalty are concerned (Table 8.1).

8.2.2.1 The influence of trademark tarnishing on components of customer-based brand equity of a high involvement/informationally motivated (Momentum) trademark/brand (H^{2a})

Trademark tarnishing had a significant but weak effect on the customer-based brand equity of the high involvement/informationally motivated (Momentum) trademark/brand as far as affect ($p = 0{,}094826 < 0{,}10$; see Table 7.2), cognition ($p = 0{,}089726 < 0{,}10$; see

Table 7.9) as well as attitude valence and stability ($p = 0,076824 < 0,10$; see Table 7.16) were concerned. H_0^{2a} is therefore rejected as far as affect, cognition as well as attitude valence and stability are concerned. Trademark tarnishing did not have statistically significant effects on customer-based brand equity of the high involvement/informational motivated (Momentum) trademark/brand as far as attitude accessibility, purchase intention, brand familiarity, and brand loyalty were concerned. H_0^{2a} is therefore accepted in these four instances.

Trademark tarnishing made affect less positive, cognition less favourable and attitude valence and stability weaker for the high involvement/informationally motivated (Momentum) trademark/brand. Affect, cognition and attitude valence and stability are sub-components of the central customer-based brand equity construct brand attitudes. Three (affect; cognition; attitude valence and stability) of five (affect; cognition; attitude valence and stability; attitude accessibility; purchase intention) potential sub-components of brand attitudes were impaired. An argument of a probability of substantial economic harm can probably be substantiated by a statistically significant detrimental effect of trademark tarnishing on all five sub-components of brand attitude, as central component of customer-based brand equity. A South African court will therefore not in all probability afford the senior mark with anti-dilution protection in this instance as a probability of substantial economic harm was not demonstrated. It may be that the *status quo* may change after multiple exposures to the tarnishing (junior) mark that will compound the effect of trademark tarnishing on the senior mark. A likelihood of dilution can probably be substantiated by at least two of a potential five components of brand attitude, as central component of customer-based brand equity, exhibiting statistically significant impairment as a result of trademark tarnishing. An American court will therefore most probably conclude that a likelihood of dilution is present and award the senior mark with anti-dilution protection. The evidence will probably also satisfy a British court if actual trademark dilution has occurred.

Trademark tarnishing decreased purchase intention and reduced brand familiarity and brand loyalty, though not to a statistically significant extent. Attitude accessibility was enhanced, and became faster, but also not to a statistically significant extent. A brand manager may be interested not only in the impaired components (affect, cognition, attitude valence and stability) of customer-based brand equity but also in the inhibited components

(purchase intention, brand familiarity, brand loyalty), as the first of the proverbial thousand cuts to the reputation of the trademark/brand has been made.

8.2.2.2 The influence of trademark tarnishing on components of customer-based brand equity of a high involvement/transformationally motivated (City Lodge) trademark/brand (H^{2b})

Trademark tarnishing had a highly significant effect on customer-based brand equity of the high involvement/transformationally motivated (City Lodge) trademark/brand as far as cognition ($p = 0{,}000175 < 0{,}01$; see Table 7.9) as well as attitude valence and stability ($p = 0{,}007542 < 0{,}01$; see Table 7.16) were concerned. H_0^{2b} is therefore rejected as far as cognition as well as attitude valence and stability are concerned. Trademark tarnishing did not have statistically significant effects on customer-based brand equity of the high involvement/transformationally motivated (City Lodge) trademark/brand as far as affect, attitude accessibility, purchase intention, brand familiarity, and brand loyalty were concerned. H_0^{2b} is therefore accepted in these five instances.

Trademark tarnishing made cognition less favourable and attitude valence and stability weaker for the high involvement/transformationally motivated (City Lodge) trademark/brand. However, a South African court will not afford the senior mark with anti-dilution protection as a probability of substantial economic harm was not demonstrated. Only two sub-components of brand attitudes, the central construct of customer-based brand equity, were impaired. It may be that the *status quo* may change after multiple exposures to the tarnishing (junior) mark that will compound the effect of trademark tarnishing on the senior mark. The impairment of two components of brand attitude (cognition as well as attitude valence and stability) may suffice as evidence of a likelihood of dilution in an American court as the research demonstrated that customer-based brand equity was harmed as what consumers think about a trademark/brand and how strongly they hold these attitudes, became significantly less favourable and strong as a result of the trademark tarnishing. The evidence will probably also satisfy a British court if actual trademark dilution has occurred.

Trademark tarnishing made affect less positive, decreased purchase intention, and reduced brand familiarity and brand loyalty, though not to a statistically significant level. Attitude accessibility was enhanced, and became faster, but also not to a statistically significant level. A brand manager may be interested not only in the impaired components

(cognition as well as attitude valence and stability) of customer-based brand equity but also in the inhibited components (affect, purchase intention, brand familiarity, brand loyalty), as the first of the proverbial thousand cuts to the reputation of the trademark/brand has been made.

8.2.2.3 The influence of trademark tarnishing on components of customer-based brand equity of a low involvement/informationally motivated (FNB) trademark/brand (H^{2c})

Trademark tarnishing did not have a statistically significant effect on any component of customer-based brand equity of the low involvement/informationally motivated (FNB) trademark/brand. H_0^{2c} is therefore accepted in respect of all components of brand equity.

The absence of statistically significant detriment to any component of customer-based brand equity as a result of trademark tarnishing will probably prevent the senior mark from approaching any court (South African, American or British) for anti-dilution protection.

Trademark tarnishing only inhibited one sub-component, attitude accessibility, of the central construct brand attitude of customer-based brand equity and enhanced the other four components (affect; cognition; attitude valence and stability; purchase intention) as well as brand familiarity and brand loyalty. Attitude accessibility became slower while affect became more positive, cognition more favourable, attitude valence and stability stronger, purchase intention increased, and brand familiarity and brand loyalty improved. A brand manager may be interested in the effect of trademark tarnishing on individual components of customer-based brand equity, possibly deciding not to respond at all to trademark/brand tarnishing, at least initially.

The findings suggest that the low involvement/informationally motivated (FNB) trademark/brand is immune to the specific form of trademark tarnishing used, in this instance an obvious parody. The obvious parody seems to have introduced some humour, which could have transferred to the unexpected positive response. As such, a senior mark will be unwise to request a court to provide anti-dilution protection as the tarnishing had the exact opposite effect than what trademark legislation aims to protect, namely an erosion of the trademark's reputation. However, a slower response time (attitude accessibility) indicates that it takes longer to recall brand attitudes and as a red flag is raised, albeit a small one, suggesting that the situation should be carefully monitored.

8.2.2.3 The influence of trademark tarnishing on components of customer-based brand equity of a low involvement/transformationally motivated (Nando's) trademark/brand (H^{2d})

Trademark tarnishing had a highly significant effect ($p = 0{,}009454 < 0{,}01$; Table 7.30) on customer-based brand equity of the low involvement/transformationally motivated (Nando's) trademark/brand as far as attitude accessibility was concerned. H_0^{2d} is therefore rejected as far as attitude accessibility is concerned. Trademark tarnishing did not have statistically significant effects on customer-based brand equity of the low involvement/transformationally motivated (Nando's) trademark/brand as far as affect, cognition, attitude valence and stability, purchase intention, brand familiarity, and brand loyalty were concerned. H_0^{2b} is therefore accepted in all six instances.

Trademark tarnishing made attitude accessibility slower for the high involvement/informationally motivated (Nando's) trademark/brand. However, attitude accessibility was the only sub-component of brand attitude, the central construct of customer-based brand equity that suffered any detriment as a result of trademark tarnishing. It is therefore concluded that a South African court will not afford the senior mark with anti-dilution protection as a probability of substantial economic harm was not demonstrated. It may be that the *status quo* may change after multiple exposures to the tarnishing (junior) mark that will compound the effect of trademark tarnishing on the senior mark. It is arguable if an American court will be convinced that there is a likelihood of dilution if only one component (attitude accessibility) of brand attitude has been impaired. It is therefore also questionable if a British court will accept slower attitude accessibility as evidence of actual dilution.

Trademark tarnishing made affect less positive, cognition less favourable, attitude valence and stability weaker, purchase intention was decreased, and brand familiarity and brand loyalty were reduced, though not to a statistically significant level. A brand manager may be interested in the impairment of all the components of customer-based brand equity, as the first of the proverbial thousand cuts on the reputation of the trademark/brand has been made.

In respect of all trademarks/brands, trademark tarnishing had a detrimental impact on five sub-components of brand attitude, as central construct of customer-based brand equity, of

high involvement trademarks/brands compared to one sub-component of low involvement trademarks/brands. Trademark tarnishing impaired affect, cognition and attitude valence and stability of the high involvement/informational motivated (Momentum) trademark/brand and cognition and attitude valence and stability of the high involvement/transformation motivated (City Lodge) trademark/brand. In contrast, only attitude accessibility, one sub-component of brand attitude, the central construct customer-based brand equity, of the low involvement/transformationally motivated (Nando's) trademark/brand was impaired as a result of trademark tarnishing. Trademark tarnishing therefore had a greater effect on high involvement trademarks/brands where important decisions are involved that are deliberately taken about expensive products/services.

The one trademark/brand (FNB) where no component of customer-based /brand equity was statistically impaired as a result of trademark tarnishing, did raise a red flag with one sub-component (attitude accessibility) of brand attitude, as central construct to customer-based brand equity, being inhibited as a result of trademark tarnishing. This may suggest that the effect of trademark tarnishing on trademarks/brands is detrimental in general but that there may be exceptions. The exception in turn may possibly be explained by the nature of the tarnishing. The trademark/brand (FNB) whose customer-based brand equity components were actually strengthened as a result of the tarnishing may be due to the obvious humorous parody of the tarnishing that did not represent another product/service (Momentum), were morally reprehensible (City Lodge), or provided social commentary (Nando's).

The relative effect of trademark tarnishing on components of customer-based brand equity of individual trademarks/brands is compared in Hypothesis 5.

8.2.3 Research question three

The third research question considered whether trademark blurring had an effect on the customer-based brand equity of high involvement/informationally motivated (Momentum)(H^{3a}); high involvement/transformationally motivated (City Lodge) (H^{3b}); low involvement/informationally motivated (FNB)(H^{3c}); and low involvement/transformationally motivated (Nando's)(H^{3d}) trademarks/brands, as far as affect; cognition; attitude valence and stability; attitude accessibility; purchase intention; brand familiarity; and brand loyalty are concerned (Table 8.1).

8.2.3.1 The influence of trademark blurring on components of customer-based brand equity of a high involvement/informationally motivated (Momentum) trademark/brand (H^{3a})

Trademark blurring did not have a statistically significant effect on any component of customer-based brand equity of the high involvement/informationally motivated (Momentum) trademark/brand. $H_0{}^{3a}$ is therefore accepted in respect of all components of customer-based brand equity.

The absence of statistically significant inhibition of any component of customer-based brand equity as a result of trademark blurring will probably prevent the senior mark from approaching any court (South African; American or British) for anti-dilution protection.

Trademark blurring inhibited three sub-components (affect, cognition, and attitude accessibility) of brand attitude, the central construct of customer-based brand equity as well as brand familiarity and brand loyalty. Trademark blurring enhanced the two remaining sub-components (attitude valence and stability and purchase intention) of brand attitude, the central construct of customer-based brand equity. Affect became less positive, cognition became less favourable, attitude accessibility became slower, and brand familiarity and brand loyalty were reduced. Attitude valence and stability became stronger and purchase intention increased. A brand manager may be interested in the effect of trademark blurring on individual components of customer-based brand equity, possibly deciding to keep a very vigilant eye on the situation.

The inhibition of five components of customer-based brand equity of the high involvement/informationally motivated (Momentum) trademark/brand may be the result of respondents perceiving the junior mark (a shuttle service) as a brand extension of the senior mark (life insurance). This may suggest that a first smudge on the distinctive character of the senior mark has been made.

8.2.3.2 The influence of trademark blurring on components of customer-based brand equity of a high involvement/transformationally motivated (City Lodge) trademark/brand (H^{3b})

Trademark blurring did not have a statistically significant effect on any component of customer-based brand equity of the high involvement/transformationally motivated (City

Lodge) trademark/brand. H_0^{3a} is therefore accepted in respect of all components of customer-based brand equity.

The absence of statistically significant inhibition to any component of customer-based brand equity as a result of trademark blurring will probably prevent the senior mark from approaching any court (South African; American; British) for anti-dilution protection.

Trademark blurring inhibited four sub-components (affect, cognition, attitude valence and stability, purchase intention) and enhanced one sub-component (attitude accessibility) of brand attitude as central construct of customer-based brand equity. Trademark blurring also impaired brand familiarity and brand loyalty, the other components of customer-based brand equity. Affect became less positive, cognition less favourable, attitude valence and stability weaker, purchase intention decreased; and brand familiarity and brand loyalty were reduced while attitude accessibility became faster. A brand manager may be interested in the effect of trademark blurring on individual components of customer-based brand equity, possibly deciding to keep a very vigilant eye on the situation.

The impairment of six components of customer-based brand equity of the high involvement/transformationally motivated (City Lodge) trademark/brand may be the result of respondents perceiving the junior mark (back packing accommodation) as an extension of the senior mark (hotel accommodation). This may suggest that a first smudge on the distinctive character of the senior mark has been made.

8.2.3.3 The influence of trademark blurring on components of customer-based brand equity of a low involvement/informationally motivated (FNB) trademark/brand (H^{3c})

Trademark blurring had a significant effect ($p = 0{,}010905 < 0{,}05$; see Table 7.2) on affect and a weakly significant effect ($p = 0{,}090998 < 0{,}10$; see Table 7.9) on cognition and brand loyalty ($p = 0{,}086606 < 0{,}10$) as components of customer-based brand equity of a low involvement/informationally motivated (FNB) trademark/brand. H_0^{3c} is therefore rejected as far as affect, cognition and brand loyalty are concerned. Trademark blurring did not have a statistically significant effect on the customer-based brand equity of a low involvement/informationally motivated (FNB) trademark/brand as far as attitude valence

and stability, attitude accessibility, purchase intention, and brand familiarity are concerned. H_0^{3c} is therefore accepted in these four instances.

Evidence indicated, contrary to expectations, that trademark blurring enhanced all components of customer-based brand equity of the low involvement/informationally motivated (FNB) trademark/brand. Trademark blurring augmented two sub-components of brand attitude, as central construct of customer-based brand equity by making affect more positive and cognition more favourable. Brand loyalty, a component of customer-based brand equity, was also augmented. Trademark blurring also had an enhancing effect on three sub-components of brand attitude as central construct of customer-based brand equity, making brand valence and stability stronger, attitude accessibility faster and increasing purchase intention. Brand familiarity, a component of customer-based brand equity, was also enhanced. The absence of statistical evidence that trademark blurring inhibited any component of customer-based brand equity will probably prevent the senior trademark form approaching any court (South African, American or British) for anti-dilution protection.

Trademark blurring enhanced all components of the low involvement/informationally motivated (FNB) trademark's/brand's customer-based brand equity. The enhancement may be the result of the respondents perceiving the junior mark (short term insurance) as an extension of the senior mark (bank) and that the extension actually augments the character of the senior mark (FNB). However, even though the senior mark does not need anti-dilution protection, the senior mark should consider the action in terms of section 34(1)(a) of the Trade Marks Act 194 of 1993[7].

8.2.3.4 The influence of trademark blurring on components of customer-based brand equity of a low involvement/transformationally motivated (Nando's) trademark/brand (H^{3d})

Trademark blurring had a significant effect ($p = 0{,}036786 < 0{,}05$; see Table 7.2) on affect, a sub-component of brand attitude, the central construct of customer-based brand equity of the low involvement/transformationally motivated (Nando's) trademark/brand. H_0^{3d} is therefore rejected as far as affect is concerned. Trademark blurring had no statistically

[7] In terms of section 34(1)(a) a registered senior mark is infringed by the unauthorised use in the course of trade in relation to goods or services in respect of which the trade mark is registered, of an identical mark or a mark nearly resembling it as to be likely to deceive or cause confusion.

significant effect on customer-based brand equity as far as cognition, attitude valence and stability, attitude accessibility, purchase intention, brand familiarity and brand loyalty were concerned. H_0^{3d} is therefore accepted in all six instances.

Blurring made affect for the low involvement/transformationally motivated (Nando's) trademark/brand significantly more positive. The absence of evidence that trademark blurring impaired any component of customer-based brand equity will probably prevent the senior mark from approaching any court (South African; American; British) for anti-dilution protection.

Affect was the only sub-component of brand attitude, the central construct of customer-based brand equity, of the low involvement/transformationally motivated (Nando's) trademark/brand that was statistically affected by trademark blurring, making it more positive. Trademark blurring had an enhancing effect on attitude valence and stability; purchase intention and an inhibiting effect on attitude accessibility as sub-components of brand attitude, the central construct of customer-based brand equity. Trademark blurring also had an enhancing effect on brand familiarity and brand loyalty as components of customer-based brand equity. Trademark blurring made affect more positive, attitude valence and stability stronger, increased purchase intention, and improved brand familiarity and brand loyalty. Trademark blurring made cognition less favourable and attitude accessibility slower. The inhibiting effect of trademark dilution on two sub-components of brand attitude, the central construct of customer-based brand loyalty, should send up a red flag for the brand manager.

Trademark blurring enhanced five components of the low involvement/transformationally motivated (Nando's) trademark's/brand's customer-based brand equity. The enhancement may be the result of the respondents perceiving the junior mark (fast food outlet) as an extension of the senior mark (fast food outlet) and that the extension actually augments the character of the senior mark (Nando's). However, even though the senior mark does not need anti-dilution protection, the senior mark should consider the action in terms of Section 34(1)(b) of the Trade Marks Act 194 of 1993.

In respect of all trademarks/brands, trademark blurring did not have a statistically significant detrimental effect on any component of customer-based brand equity, of all trademarks/brands. Contrary to expectation, trademark blurring had an augmenting effect

on affect and cognition, sub-components of brand attitude, the central construct of customer-based brand equity, of the low involvement/informationally motivated (FNB) trademark/brand and affect of the low involvement/transformationally motivated (Nando's) trademark/brand. Trademark blurring therefore had a greater effect on low involvement trademarks/brands where less important decisions are involved that are taken habitually or routinely about less expensive products/services. The nature of the decision (informative or transformational) and motive for the decision-making (removal, avoidance, depletion versus gratification, stimulation, approval) seem to play no role in the effect of trademark blurring.

The relative effect of trademark blurring on components of customer-based brand equity of individual trademarks/brands is compared in Hypothesis 6.

Hypotheses 3 and 4 showed that trademark tarnishing had a greater effect on the high involvement trademarks/brands (Momentum and City Lodge) while trademark blurring had a greater effect on the low involvement (FNB and Nando's) trademarks/brands. Trademark tarnishing influences trademarks/brands where important decisions are involved that are taken deliberately about expensive products and services. Trademark blurring on the other hand influences trademarks/brands where less important decisions are involved that are taken habitually or routinely about less expensive products/services. This finding implies that consumers are more concerned about the reputation (trademark tarnishing) than the character (trademark blurring) of the trademark/brand when making important decisions that are deliberately taken about expensive products and services. Likewise, consumers seem to be more concerned about the character (trademark blurring) than the reputation (trademark tarnishing) of the trademark/brand when making less important decisions that are habitually or routinely made about less expensive products/services. The effect of trademark dilution, be it trademark tarnishing (making the character of the trademark/brand less favourable) or trademark blurring (making the reputation of the trademark/brand less distinct), depends on the type of decision taken, namely low or high involvement and not what motivates the decision, namely information (thoughts) or transformation (feelings).

8.2.4 Research question four

The fourth research question expands on Hypothesis 1 and investigates whether trademark tarnishing and blurring had different or similar, but varying in intensity, effects on the customer-based brand equity of high involvement/informationally motivated

(Momentum)(H^{4a}); high involvement/transformationally motivated (City Lodge)(H^{4b}); low involvement/informationally motivated (FNB)(H^{4c}); and low involvement/transformationally motivated trademarks/brands (Nando's)(H^{4d}), as far as affect, cognition, attitude valence and stability, attitude accessibility, purchase intention, brand familiarity, and brand loyalty are concerned (Table 8.1).

8.2.4.1 The influence of trademark tarnishing and blurring on components of customer-based brand equity of a high involvement/informationally motivated (Momentum) trademark/brand (H^{4a})

Trademark tarnishing and blurring had different effects, that were weakly significant, on the customer-based brand equity of the high involvement/informationally motivated (Momentum) trademark/brand as far as attitude valence and stability ($p = 0,075738 < 0,10$; see Table 7.16) and attitude accessibility ($p = 0,068723 < 0,10$; see Table 7.30) were concerned. H_0^{4a} is therefore rejected as far as these two components are concerned. Trademark tarnishing and blurring did not have statistically different or similar, but varying in intensity, effects on affect; cognition; purchase intention; brand familiarity and brand loyalty as components of customer-based brand equity of the high involvement/information motivated (Momentum) trademark/brand. H_0^{4a} is therefore accepted as far as these five components are concerned.

Trademark tarnishing made attitude valence and stability weaker while trademark blurring made attitude valence and stability stronger for the high involvement/informationally motivated (Momentum) trademark/brand. Conversely, trademark tarnishing made attitude accessibility faster while trademark blurring made attitude accessibility slower for the high involvement/informationally motivated (Momentum) trademark/brand. Although not statistically significant, trademark tarnishing and blurring had different effects on one component (purchase intention) and similar, but varying in intensity, effects on the remaining four components (affect, cognition, brand familiarity, brand loyalty) of customer-based brand equity. Trademark tarnishing decreased purchase intention while trademark blurring increased purchase intention. Trademark tarnishing and blurring both made affect less positive, cognition less favourable, and reduced brand familiarity and brand loyalty, but trademark tarnishing had the greater effect.

Therefore, trademark tarnishing and blurring have different consequences: for high involvement/informationally motivated trademarks/brands the effect of tarnishing and

blurring is different (inhibiting and enhancing) and is determined by components of customer-based brand equity.

8.2.4.2 The influence of trademark tarnishing and blurring on components of customer-based brand equity of a high involvement/transformationally motivated (City Lodge) trademark/brand (H^{4b})

Trademark tarnishing and blurring had a similar, but significantly varying in intensity, effect ($p = 0{,}016149 < 0{,}05$; see Table 7.9) on the customer-based brand equity of the high involvement/transformationally motivated (City Lodge) trademark/brand as far as cognition was concerned. H_0^{4a} is therefore rejected as far as cognition is concerned. Trademark tarnishing and blurring did not have statistically significant, different or similar, but varying in intensity, effects, on affect, attitude valence and stability, attitude accessibility, purchase intention, and brand familiarity and brand loyalty as components of customer-based brand equity of the high involvement/transformationally motivated (City Lodge) trademark/brand. H_0^{4a} is therefore accepted as far as these six components are concerned.

Trademark tarnishing and blurring made cognition less positive (similar effect), but the effect varied in intensity because trademark tarnishing had the greater effect compared to trademark blurring: trademark tarnishing made cognition more negative than trademark blurring. Although not statistically significant, trademark tarnishing and blurring had similar, but varying in intensity, effects on the remaining six components of customer-based brand equity (affect, attitude valence and stability, attitude accessibility, purchase intention, and brand familiarity and brand loyalty). Trademark blurring made affect as component of customer-based brand equity more negative compared to the effect of trademark tarnishing, but in the remaining five instances trademark tarnishing had the greater effect. Trademark tarnishing made attitude valence and stability weaker compared to trademark blurring, decreased purchase intention more than trademark blurring did, made attitude accessibility faster compared to trademark blurring, reduced brand familiarity and brand loyalty more than trademark blurring did.

Therefore, trademark tarnishing and blurring have similar consequences: for high involvement/transformationally motivated trademarks/brands the significant effect of trademark tarnishing and blurring is similar (inhibiting), but varying in intensity and is determined by components of customer-based brand equity. Trademark tarnishing also

has the greater effect as it made cognition as component of customer-based brand equity more unfavourable compared to trademark blurring.

8.2.4.3 The influence of trademark tarnishing and blurring on components of customer-based brand equity of a low involvement/informationally motivated (FNB) trademark/brand (H^{4c})

Trademark tarnishing and blurring did not have statistically different or similar, but varying in intensity, effects on any component of customer-based brand equity of the low involvement/informationally motivated (FNB) trademark/brand. H_0^{4a} is therefore accepted as far as all components of customer-based brand equity are concerned.

Trademark tarnishing and blurring had similar, but varying in intensity, effects on six components (affect, cognition, attitude valence and stability, purchase intention, and brand familiarity and brand loyalty) of customer-based brand equity and different effects on attitude accessibility as component of customer-based brand equity of the high involvement/transformationally motivated (FNB) trademark/brand. Trademark blurring had the greater positive effect compared to trademark tarnishing on affect, cognition, attitude valence and stability, purchase intention, and brand loyalty. Trademark blurring made affect more positive, cognition more favourable, attitude valence and stability stronger, increased purchase intention and improved brand loyalty. Trademark tarnishing and blurring improved brand familiarity to the same extent while trademark tarnishing made attitude accessibility slower and trademark blurring made it faster.

Therefore, trademark tarnishing and blurring have primarily similar consequences: for low involvement/informationally motivated trademarks/brands the effect of trademark tarnishing and blurring is similar (enhancing), but varying in intensity and is determined by components of customer-based brand equity. Trademark blurring also has the greater effect as it enhanced five of the seven components of customer-based brand equity more than trademark tarnishing did. However, these results should probably be understood within the context of the FNB trademark/brand that seems to be so strong that neither trademark tarnishing nor blurring could have much of an inhibiting or impairing effect.

8.2.4.4 The influence of trademark tarnishing and blurring on components of customer-based brand equity of a low involvement/transformationally motivated (Nando's) trademark/brand (H^{4d})

Trademark tarnishing and blurring had different and similar, but varying in intensity, effects on three components of customer-based brand equity of low involvement/transformationally motivated (Nando's) trademarks/brands. The effect of trademark tarnishing was highly significant for affect ($p = 0{,}000958 < 0{,}01$; see Table 7.2) and significant for attitude valence and stability ($p = 0{,}011128 < 0{,}05$; see Table 7.16). For attitude accessibility ($p = 0{,}056835 < 0{,}10$; see Table 7.30) and brand familiarity ($p = 0{,}089626 < 0{,}10$; see Table 7.37) the effect was weekly significant. H_0^{4d} is therefore rejected as far as affect, attitude valence and stability, attitude accessibility and brand familiarity are concerned. Trademark tarnishing and blurring did not have statistically significant effects on cognition, purchase intention and brand loyalty. H_0^{4d} is therefore accepted as far as cognition, purchase intention and brand loyalty is concerned.

Trademark tarnishing and blurring had highly significantly different effects on affect: trademark tarnishing made affect less positive while trademark blurring made affect more positive. Trademark tarnishing and blurring had significantly different effects on attitude valence and stability: trademark tarnishing made attitude valence and stability weaker while trademark blurring made attitude valence and stability stronger. Trademark tarnishing and blurring had weakly significantly similar, but varying in intensity, effects on attitude accessibility: trademark tarnishing made attitude accessibility slower compared to blurring. Trademark tarnishing and blurring had weakly significantly different effects on brand familiarity: trademark tarnishing reduced brand familiarity while trademark blurring improved brand familiarity. Although not statistically significant, trademark tarnishing and blurring had similar, but varying in intensity, effects on cognition: trademark tarnishing and blurring made cognition less favourable, but trademark tarnishing had the greater effect. Trademark tarnishing and blurring had different effects on purchase intention and brand loyalty: trademark tarnishing decreased purchase intention while trademark blurring increased purchase intention and trademark tarnishing reduced brand loyalty while trademark blurring improved brand loyalty. In summary, trademark tarnishing had a negative effect on components (affect, attitude valence and stability, purchase intention, brand familiarity, brand loyalty) of customer-based brand equity of the low involvement/transformationally motivated trademark/brand compared to the positive effect

of trademark blurring, given that the effect of trademark tarnishing and blurring was different. If the effect of trademark tarnishing and blurring is similar, trademark tarnishing had the greater negative effect on components (cognition, attitude accessibility) of customer-based brand equity of the low involvement/transformationally motivated trademark/brand when compared to trademark blurring.

Therefore, trademark tarnishing and blurring have different and similar consequences: for low involvement/transformationally motivated trademarks/brands the effect of trademark tarnishing is inhibiting and for trademark blurring enhancing in four instances. In one instance the effect of trademark tarnishing and blurring is similar: trademark tarnishing and blurring inhibited attitude accessibility, but trademark tarnishing had the greater effect. The effect of trademark tarnishing and blurring is determined by components of customer-based brand equity.

One important conclusion that should be drawn from the findings of Hypothesis 4, namely that trademark tarnishing and blurring have different effects (different or similar, but varying in intensity) on different components of customer-based brand equity and that the difference refers to both converse effects (inhibiting/enhancing) as well as similar (inhibiting/inhibiting and enhancing/enhancing), but varying in intensity, effects. Although no effect of trademark tarnishing or blurring was statistically meaningful in the case of the low involvement/informationally motivated (FNB) trademark/brand, it is interesting to note that in all but one component, attitude accessibility, trademark tarnishing and blurring had matching enhancing effects that varied in intensity. This suggests that some brands may be immune to dilution because of their existing strong customer-based brand equity. The specific components of customer-based brand equity also seem to play a role in trademark tarnishing and blurring, determining whether the effect of trademark tarnishing and blurring is different or similar, but varying in intensity.

The following research questions investigate whether trademark tarnishing and blurring respectively have different or the same, but varying in intensity, comparative effects on specific trademarks/brands.

8.2.5 Research question five

The fifth research question investigated whether trademark tarnishing had the same effect on the customer-based brand equity of:

- high involvement/informationally motivated (Momentum) and high involvement/transformationally motivated (City Lodge) (H^{5a});
- high involvement/informationally motivated (Momentum) and low involvement/informationally motivated (FNB) (H^{5b});
- high involvement/informationally motivated (Momentum) and low involvement/transformationally motivated trademarks/brands (Nando's) (H^{5c});
- low involvement/informationally motivated (FNB) and low involvement/transformationally motivated trademarks/brands (Nando's) (H^{5d});
- high involvement/transformationally motivated (City Lodge) and low involvement/transformationally motivated trademarks/brands (Nando's) (H^{5e});
- low involvement/informationally motivated (FNB) and low involvement/transformationally motivated trademarks/brands (Nando's) (H^{5f}),

as far as affect, cognition, attitude valence and stability, attitude accessibility, purchase intention, brand familiarity, and brand loyalty are concerned (Table 8.1).

8.2.5.1 The relative influence of trademark tarnishing on components of customer-based brand equity of high involvement/informationally motivated (Momentum) and high involvement/transformationally motivated (City Lodge) trademarks/brands (H^{5a})

Trademark tarnishing had effects that were similar, but significantly varying in intensity, on the customer-based brand equity of the high involvement/informationally motivated (Momentum) and high involvement/transformationally motivated (City Lodge) trademarks/brands as far as affect ($p = 0{,}049399 < 0{,}05$; see Table 7.2) and cognition ($p = 0{,}022502 < 0{,}05$; see Table 7.9) were concerned. H_0^{5a} is therefore rejected as far as these two components are concerned. Trademark tarnishing did not have significantly different or similar, but significantly varying in intensity, effects on any other component of customer-based brand equity. H_0^{5a} is therefore accepted as far as attitude valence and stability, attitude accessibility, purchase intention, brand familiarity and brand loyalty are concerned.

Trademark tarnishing made affect of the high involvement/informationally motivated (Momentum) trademark/brand much less positive compared to affect of the high involvement/transformationally motivated (City Lodge) trademark/brand. Trademark

tarnishing had the greater inhibiting effect on the high involvement/informationally motivated (Momentum) trademark/brand compared to the high involvement/transformationally motivated (City Lodge) trademark/brand, as far as affect is concerned. As far as cognition is concerned, trademark tarnishing had the greater inhibiting effect on the high involvement/transformationally motivated (City Lodge) trademark/brand compared to the high involvement/informationally motivated (Momentum) trademark/brand. Trademark tarnishing had similar effects on two components (affect and cognition) of customer-based brand equity, making both components less positive and favourable, but the intensity of the effect varied. The implication of this finding is further discussed at the end of Hypothesis 5 within the context of all the findings relating to the relative impact of trademark tarnishing on customer-based brand equity.

8.2.5.2 The relative influence of trademark tarnishing on components of customer-based brand equity of high involvement/informationally motivated (Momentum) and low involvement/informationally motivated (FNB) trademarks/brands (H^{5b})

Trademark tarnishing had different effects that were significant and highly significant on the customer-based brand equity of the high involvement/informationally motivated (Momentum) and low involvement/informationally motivated (FNB) trademarks/brands respectively as far as affect ($p = 0{,}001997 < 0{,}01$; see Table 7.2), cognition ($p = 0{,}006952 < 0{,}01$; see Table 7.9), attitude valence and stability ($p = 0{,}003123 < 0{,}01$; see Table 7.16), and purchase intention ($p = 0{,}009938 < 0{,}01$; see Table 7.23) are concerned. H_0^{5b} is therefore rejected as far as these four components are concerned. Trademark tarnishing did not have significantly different or similar, but significantly varying in intensity, effects on any other component of customer-based brand equity. H_0^{5b} is therefore rejected as far as attitude accessibility, brand familiarity, and brand loyalty are concerned.

The different effects trademark tarnishing had on affect, cognition and purchase intention of the high involvement/informationally motivated (Momentum) and low involvement/informationally motivated (FNB) trademarks/brands were highly significant. Trademark tarnishing made affect less positive, cognition less favourable and decreased purchase intention for the high involvement/informationally motivated (Momentum) trademark/brand while it made affect more positive, cognition more favourable and increased purchase intention for the low involvement/informationally motivated (FNB)

trademark/brand. Trademark tarnishing also had a different effect on attitude valence and stability of the high involvement/informationally motivated (Momentum) and low involvement/informationally motivated (FNB) trademarks/brands. Trademark tarnishing made attitude valence and stability weaker for the high involvement/informationally motivated (Momentum) trademark/brand and stronger for low involvement/informationally motivated (FNB) trademark/brand. The different effect trademark tarnishing had on valence and stability of the high involvement/informationally motivated (Momentum) and low involvement/informationally motivated (FNB) trademarks/brands was significant. Trademark tarnishing had different effects (inhibiting and enhancing) on four components (affect, cognition, attitude valence and stability, and purchase intention) of customer-based brand equity, having an inhibiting effect on the high involvement/informationally motivated (Momentum) trademark/brand and an enhancing effect on the low involvement/informationally motivated (FNB) trademark/brand. The implication of this finding is further discussed at the end of Hypothesis 5 within the context of all the findings relating to the relative impact of trademark tarnishing on customer-based brand equity.

8.2.5.3 The relative influence of trademark tarnishing on components of customer-based brand equity of high involvement/informationally motivated (Momentum) and low involvement/transformationally motivated (Nando's) trademarks/brands (H^{5c})

Trademark tarnishing had a different effect that was highly significant ($p = 0{,}000019 < 0{,}01$; see Table 7.30), on one component (attitude accessibility) of customer-based brand equity of the high involvement/informationally motivated (Momentum) and low involvement/transformationally motivated (Nando's) trademarks/brands. H_0^{5c} is therefore rejected as far as attitude accessibility is concerned. Trademark tarnishing did not have significantly different or similar, but significantly varying in intensity, effects on any other component of customer-based brand equity. H_0^{5c} is therefore accepted as far as affect, cognition, attitude valence and stability, purchase intention, brand familiarity, and brand loyalty are concerned.

Trademark tarnishing made attitude accessibility faster for the high involvement/informationally motivated (Momentum) trademark/brand and slower for the low involvement/transformationally motivated (Nando's) trademark/brand. The different effects (slower and faster) of trademark tarnishing on one component (attitude accessibility) of customer-based brand equity of two trademarks/brands suggests that for

the high involvement/informationally motivated (Momentum) trademark/brand one component of customer-based brand equity was enhanced but inhibited for the low involvement/transformationally motivated (Nando's) trademark/brand. The implication of this finding is further discussed at the end of Hypothesis 5 within the context of all the findings relating to the relative impact of trademark tarnishing on customer-based brand equity.

8.2.5.4 The relative influence of trademark tarnishing on components of customer-based brand equity of low involvement/informationally motivated (FNB) and low involvement/transformationally motivated (Nando's) trademarks/brands (H^{5d})

Trademark tarnishing had different and similar, but varying in intensity, effects that were significant and highly significant, on the customer-based brand equity of the low involvement/informationally motivated (FNB) and the low involvement/transformationally motivated (Nando's) trademarks/brands as far as affect ($p = 0,01198 < 0,05$; see Table 7.2), cognition ($p = 0,009915 < 0,01$; see Table 7.9), attitude valence and stability ($p = 0,010759 < 0,01$; see Table 7.16), attitude accessibility ($p = 0,000075 < 0,01$; see Table 7.30), and purchase intention ($p = 0,044708 < 0,05$; see Table 7.23) are concerned. H_0^{5d} is therefore rejected as far as these five components are concerned. Tarnishing did not have significantly different or similar effects on any other component of customer-based brand equity. H_0^{5d} is therefore accepted as far as brand familiarity and brand loyalty are concerned.

The different effects trademark tarnishing had on affect, attitude valence and stability, and purchase intention of the low involvement/informationally motivated (FNB) and low involvement/transformationally motivated (Nando's) trademarks/brands were significant. Tarnishing made affect more positive, attitude valence and stability stronger and increased purchase intention for the low involvement/informationally motivated (FNB) trademark/brand while it made affect less positive, attitude valence and stability weaker and decreased purchase intention for the low involvement/transformational motivated (Nando's) trademark/brand. The different effects trademark tarnishing had on cognition of the low involvement/informationally motivated (FNB) and low involvement/transformationally motivated (Nando's) trademarks/brands were highly significant. Tarnishing made cognition more favourable for the low

involvement/informationally motivated (FNB) trademark/brand and less favourable for the low involvement/transformationally motivated (Nando's) trademark/brand. Trademark tarnishing had a similar, but varying in intensity, effect on attitude accessibility of the low involvement/informationally motivated (FNB) and low involvement/transformationally motivated (Nando's) trademarks/brands. Attitude accessibility became slower for both trademarks/brands but trademark tarnishing had the greater negative effect (making attitude accessibility slower) on the low involvement/transformationally motivated (Nando's) trademark/brand.

Trademark tarnishing had different (inhibiting and enhancing) effects on four components of customer-based brand equity and a similar (inhibiting), but varying in intensity, effect on one component of customer-based brand equity. The implication of this finding is further discussed at the end of Hypothesis 5 within the context of all the findings relating to the relative impact of trademark tarnishing on customer-based brand equity.

8.2.5.5 The relative influence of trademark tarnishing on components of customer-based brand equity of high involvement/transformationally motivated (City Lodge) and low involvement/transformationally motivated (Nando's) trademarks/brands (H^{5e})

Trademark tarnishing had different and similar, but varying in intensity, effects that were weakly significant, significant and highly significant, on the customer-based brand equity of the high involvement/transformationally motivated (City Lodge) and the low involvement/transformationally motivated (Nando's) trademarks/brands as far as cognition ($p = 0{,}016513 < 0{,}05$; see Table 7.9), attitude valence and stability ($p = 0{,}097483 < 0{,}10$; see Table 7.16), and attitude accessibility ($p = 0{,}0000075 < 0{,}01$; see Table 7.30) are concerned. H_0^{5e} is therefore rejected as far as these three components are concerned. Trademark tarnishing did not have significantly different or similar but varying in intensity effects on any other component of customer-based brand equity. H_0^{5e} is therefore accepted as far as affect, purchase intention, brand familiarity, and brand loyalty are concerned.

Trademark tarnishing made cognition less favourable and attitude valence and stability weaker on both the high involvement/transformationally motivated (City Lodge) trademark/brand and the low involvement/transformationally motivated (Nando's) trademark/brand. The effects of trademark tarnishing on cognition and attitude valence

and stability were similar (inhibiting), but varied in intensity. Trademark tarnishing had the greater inhibiting effect on cognition and attitude valence and stability of the high involvement/transformationally motivated (City Lodge) trademark/brand. Attitude accessibility became faster as a result of trademark tarnishing for the high involvement/transformationally motivated (City Lodge) trademark/brand but slower for the low involvement/transformationally motivated (Nando's) trademark/brand. Trademark tarnishing had a different effect (enhancing and inhibiting) on attitude accessibility for both trademarks/brands. The implication of this finding is further discussed at the end of Hypothesis 5 within the context of all the findings relating to the relative impact of trademark tarnishing on customer-based brand equity.

8.2.5.6 The relative influence of trademark tarnishing on components of customer-based brand equity of low involvement/informationally motivated (FNB) and high involvement/transformationally motivated (City Lodge) trademarks/brands (H^{5f})

Trademark tarnishing had different effects that were significant, weakly significant and highly significant on the customer-based brand equity of the low involvement/informationally motivated (FNB) and high involvement/transformationally motivated (City Lodge) trademarks/brands as far as affect ($p = 0{,}091745 < 0{,}10$; see Table 7.2), cognition ($p = 0{,}000136 < 0{,}01$; see Table 7.9), attitude valence and stability ($p = 0{,}010759 < 0{,}05$; see Table 7.16), and purchase intention ($p = 0{,}010243 < 0{,}05$; see Table 7.23) are concerned. H_0^{5f} is therefore rejected as far as these four components are concerned. Trademark tarnishing did not have significantly different or similar, but varying in intensity, effects on any other component of customer-based brand equity. H_0^{5f} is rejected as far as attitude accessibility, brand familiarity and brand loyalty are concerned.

Trademark tarnishing made affect more positive, cognition more favourable, attitude valence and stability stronger and increased purchase intention for the low involvement/informationally motivated (FNB) trademark/brand. For the high involvement/transformationally motivated (City Lodge) trademark/brand, trademark tarnishing made affect less positive, cognition less favourable, attitude valence and stability weaker and decreased purchase intention. Trademark tarnishing had different (enhancing and inhibiting) effects on affect, cognition, attitude valence and certainty, and purchase intention.

The findings related to Hypothesis five confirm that the type of decision (high or low), type of motivation and type of trademark/brand has an influence on the effect of trademark tarnishing. A total of 19 statistically significant results indicated that components of customer-based brand equity either reacted differently, inhibiting and enhancing, or similarly, but varying in intensity, inhibiting or enhancing, to trademark tarnishing. However, the similarity, but varying in intensity, effect of trademark tarnishing was only inhibiting and not enhancing. In other words, when trademark tarnishing had a similar, but varying in intensity, effect on a component of customer-based brand equity, the effect, when statistically significant, was inhibiting. The influence of trademark tarnishing was greater when the nature of the influence was inhibiting, as evidenced by the lack of statistical significance when the nature of the influence was enhancing. Therefore, the nature and extent of trademark tarnishing should be considered as the extent of effects were different and similar, but varying in intensity. The lack of inhibiting effect on the low involvement/informationally motivated (FNB) trademark/brand as a result of trademark tarnishing indicates that the strength of the trademark/brand (the baseline of the trademark/brand) should be considered when investigating the effect of trademark tarnishing as well as the severity of the trademark tarnishment treatment.

8.2.6 Research question six

The sixth research question investigated if trademark blurring had the same effect on the customer-based brand equity of:

- high involvement/informationally motivated (Momentum) and high involvement/transformationally motivated (City Lodge) (H^{5a});
- high involvement/informationally motivated (Momentum) and low involvement/informationally motivated (FNB) (H^{5b});
- high involvement/informationally motivated (Momentum) and low involvement/transformationally motivated trademarks/brands (Nando's) (H^{5c});
- low involvement/informationally motivated (FNB) and low involvement/transformationally motivated trademarks/brands (Nando's) (H^{5d});
- high involvement/transformationally motivated (City Lodge) and low involvement/transformationally motivated trademarks/brands (Nando's) (H^{5e});
- low involvement/informationally motivated (FNB) and high involvement/transformationally motivated trademarks/brands (City Lodge) (H^{5f}),

as far as affect, cognition, attitude valence and stability, attitude accessibility, purchase intention, brand familiarity, and brand loyalty are concerned (Table 8.1).

8.2.6.1 The relative influence of trademark blurring on components of customer-based brand equity of high involvement/informationally motivated (Momentum) and high involvement/transformationally motivated (City Lodge) trademarks/brands (H^{6a})

Trademark blurring had different effects that were weakly significant on attitude valence and stability ($p = 0,086469 < 0,10$; see Table 7.16) and significant on purchase intention ($p = 0,017656 < 0,05$; see Table 7.23) as components of customer-based brand equity of the high involvement/informationally motivated (Momentum) and high involvement/transformationally motivated (City Lodge) trademarks/brands. H_0^{6a} is therefore rejected as far as these two components are concerned. Trademark blurring did not have significantly different or similar, but significantly varying in intensity, effects on any other component of customer-based brand equity. H_0^{6a} is therefore accepted as far as affect, cognition, response attitude accessibility; brand familiarity and brand loyalty are concerned.

Trademark blurring made attitude valence and stability stronger and increased purchase intention of the high involvement/informationally motivated (Momentum) trademark/brand. For the high involvement/transformationally motivated (City Lodge) trademark/brand, trademark blurring made attitude valence and stability weaker and reduced purchase intention. Trademark blurring had different effects (enhancing and inhibiting) on attitude valence and stability and purchase intention for both trademarks/brands. The implication of this finding is further discussed at the end of Hypothesis 6 within the context of all the findings relating to the relative impact of trademark blurring on customer-based brand equity.

8.2.6.2 The relative influence of trademark blurring on components of customer-based brand equity of high involvement/informationally motivated (Momentum) and low involvement/informationally motivated (FNB) trademarks/brands (H^{6b})

Trademark blurring had different effects that were weakly significant, significant and highly significant on the customer-based brand equity of the high involvement/informationally motivated (Momentum) and low involvement/informationally motivated (FNB)

trademarks/brands as far as affect ($p = 0,000426 < 0,01$; see Table 7.2), cognition ($p = 0,0049315 < 0,01$; see Table 7.9), attitude accessibility ($p = 0,078025 < 0,10$; see Table 7.30), and brand loyalty ($p = 0,020006 < 0,05$; see Table 7.44) are concerned. H_0^{6b} is therefore rejected as far as these four components are concerned. Trademark blurring did not have significantly different or similar, but significantly varying in intensity, effects on any other component of customer-based brand equity. H_0^{6b} is therefore accepted as far as attitude valence and stability, purchase intention, and brand familiarity are concerned.

Trademark blurring made affect less positive, cognition less favourable, attitude accessibility slower and brand loyalty weaker for the high involvement/informationally motivated (Momentum) trademark/brand. For the low involvement/informationally motivated (FNB) trademark/brand, trademark blurring made affect more positive, cognition more favourable, attitude accessibility faster and brand loyalty stronger.

Trademark blurring had a different effect (inhibiting and enhancing) on four components (affect, cognition, attitude accessibility, brand loyalty) of customer-based brand equity enhancing the components of customer-based brand equity of the low involvement/informationally motivated (FNB) trademark/brand and inhibiting the components of the high involvement/informationally motivated (Momentum) trademark/brand. The implication of this finding is further discussed at the end of Hypothesis 6 within the context of all the findings relating to the relative impact of trademark blurring on customer-based brand equity.

8.2.6.3 The relative influence of trademark blurring on components of customer-based brand equity of high involvement/informationally motivated (Momentum) and low involvement/transformationally motivated (Nando's) trademarks/brands (H^{6c})

Trademark blurring had different and similar, but varying in intensity, effects that were weakly significant, significant and highly significant, on the customer-based brand equity of the high involvement/informationally motivated (Momentum) and low involvement/transformationally motivated (Nando's) trademarks/brands as far as affect ($p = 0,0012815 < 0,01$; see Table 7.2), attitude accessibility ($p = 0,0678275 < 0,10$; see Table 7.30), and brand loyalty ($p = 0,037648 < 0,05$; see Table 7.44) are concerned. H_0^{6c} is therefore rejected as far as these three components are concerned. Trademark blurring

did not have significantly different or similar, but significantly varying in intensity, effects on any other component of customer-based brand equity. H_0^{6c} is therefore accepted as far as cognition, attitude valence and stability, purchase intention, and brand familiarity are concerned.

Trademark blurring made affect less positive and reduced brand loyalty for the high involvement/informationally motivated (Momentum) trademark/brand. For the low involvement/transformationally motivated (Nando's) trademark/brand, trademark tarnishing made affect more positive and increased brand loyalty. Trademark blurring had a similar, but varying in intensity, effect on attitude accessibility of both the high involvement/informationally motivated (Momentum) and low involvement/transformationally motivated (Nando's) trademarks/brands. Attitude accessibility was made slower as a result of trademark blurring, but trademark blurring made attitude accessibility slower for the high involvement/informationally motivated (Momentum) trademark/brand compared to the low involvement/transformationally motivated (Nando's) trademark/brand. Trademark blurring had a different (inhibiting and enhancing) as well as a similar (inhibiting), but varying in intensity, effect on three components (affect, attitude accessibility, brand loyalty) of customer-based brand equity for the high involvement/informationally motivated (Momentum) and low involvement/transformationally motivated (Nando's) trademarks/brands. The implication of this finding is further discussed at the end of Hypothesis 6 within the context of all the findings relating to the relative impact of trademark blurring on customer-based brand equity.

8.2.6.4 The relative influence of trademark blurring on components of customer-based brand equity of low involvement/informationally motivated (FNB) and low involvement/transformationally motivated (Nando's) trademarks/brands (H^{6d})

Trademark blurring had different effects that were highly significant on the customer-based brand equity of the low involvement/informationally motivated (FNB) and low involvement/transformationally motivated (Nando's) trademarks/brands as far as cognition ($p = 0{,}0030825 < 0{,}01$; see Table 7.9) and attitude accessibility ($p = 0{,}0000595 < 0{,}01$; see Table 7.30) are concerned. H_0^{6d} is therefore rejected as far as these two components are concerned. Trademark blurring did not have significantly different or similar, but significantly varying in intensity, effects on any other component of customer-based brand

equity. H_0^{6d} is therefore accepted as far as affect, attitude valence and stability, purchase intention, brand familiarity, and brand loyalty are concerned.

Trademark blurring made cognition more favourable and attitude accessibility faster for the low involvement/informationally motivated (FNB) trademark/brand. For the low involvement/transformationally motivated (Nando's) trademark/brand trademark blurring made cognition less favourable and attitude accessibility slower. Trademark blurring had different (enhancing and inhibiting) effects on two components (cognition and attitude accessibility) of customer-based brand equity of the low involvement/informationally motivated (FNB) and low involvement/transformationally motivated (Nando's) trademarks/brands. The implication of this finding is further discussed at the end of Hypothesis 6 within the context of all the findings relating to the relative impact of trademark blurring on customer-based brand equity.

8.2.6.5 The relative influence of trademark blurring on components of customer-based brand equity of high involvement/transformationally motivated (City Lodge) and low involvement/transformationally motivated (Nando's) trademarks/brands (H^{6e})

Trademark blurring had different effects that were weakly significant, significant and highly significant on the customer-based brand equity of the high involvement/transformationally motivated (City Lodge) and low involvement/transformationally motivated (Nando's) trademarks/brands as far as affect ($p = 0{,}0093215 < 0{,}01$; see Table 7.2), attitude valence and stability ($p = 0{,}011071 < 0{,}05$; see Table 7.16), attitude accessibility ($p = 0{,}00033 < 0{,}01$ see Table 7.30), purchase intention ($p = 0{,}091444 < 0{,}10$; see Table 7.23), and brand loyalty ($p = 0{,}064082 < 0{,}10$; see Table 7.44) are concerned. H_0^{6e} is therefore rejected as far as these five components are concerned. Trademark blurring did not have significantly different or similar, but significantly varying in intensity, effects on any other component of customer-based brand equity. H_0^{6e} is therefore accepted as far as cognition and brand familiarity are concerned.

Trademark blurring made affect less positive, attitude valence and stability weaker, decreased purchase intention, made attitude accessibility faster and reduced brand loyalty for the high involvement/transformationally motivated (City Lodge) trademark/brand. For the low involvement/transformationally motivated (Nando's) trademark/brand, trademark

blurring made affect more positive, attitude valence and stability stronger, increased purchase intention, made attitude accessibility slower and increased brand loyalty. Trademark blurring had different (enhancing and inhibiting) effects on five components (affect, attitude valence and stability, purchase intention, attitude accessibility, brand loyalty) of customer-based brand equity of the high involvement/transformationally motivated (City Lodge) and low involvement/transformationally motivated (Nando's) trademarks/brands. The implication of this finding is further discussed at the end of Hypothesis 6 within the context of all the findings relating to the relative impact of trademark blurring on customer-based brand equity.

8.2.6.6 The relative influence of trademark blurring on components of customer-based brand equity of low involvement/informationally motivated (FNB) and high involvement/transformationally motivated (City Lodge) trademarks/brands (H^{6f})

Trademark blurring had different effects that were significant and highly significant on the customer-based brand equity of low involvement/informationally motivated (FNB) and high involvement/transformationally motivated (City Lodge) trademarks/brands as far as affect ($p = 0,0023755 < 0,01$; see Table 7.2), cognition ($p = 0,001352 < 0,01$; see Table 7.9), attitude valence and stability ($p = 0,01266 < 0,05$; see Table 7.16), purchase intention ($p = 0,009929 < 0,01$; see Table 7.23), and brand loyalty ($p = 0,0234 < 0,018$; see Table 7.44) are concerned. H_0^{6e} is therefore rejected as far as these five components are concerned. Trademark blurring did not have significantly different or similar, but significantly varying in intensity, effects on any other component of customer-based brand equity. H_0^{6e} is therefore accepted as far as attitude accessibility and brand familiarity are concerned.

Trademark blurring made affect more positive, cognition more favourable, attitude valence and stability stronger, increased purchase intention and improved brand loyalty for the low involvement/informationally motivated (FNB) trademark/brand. For the high involvement/transformationally motivated (City Lodge) trademark/brand, trademark blurring made affect less positive, cognition less favourable, attitude valence and stability weaker, decreased purchase intention and reduced brand loyalty. Trademark blurring had different (enhancing and inhibiting) effects on five components (affect, cognition, attitude valence and stability, purchase intention, brand loyalty) of customer-based brand equity of the low

involvement/informationally motivated (FNB) and high involvement/transformationally motivated (City Lodge) trademarks/brands.

The findings in Hypothesis 6 confirm that the type of decision (high or low involvement), type of motivation and type of trademark/brand have an influence on the effect of trademark blurring. A total of 20 statistically significant results indicated that components of customer-based brand equity reacted differently, inhibiting and enhancing, to trademark blurring. Only one statistically significant result indicated that components of customer-based brand equity reacted the same, but varying in intensity, to trademark blurring. However, the single example where the effect of trademark blurring was similar, but varying in intensity, was inhibiting on the component of customer-based brand equity. In other words, the effect of trademark blurring was primarily different (inhibiting and enhancing) in nature.

The trademark blurring of the low involvement/informationally motivated (FNB) and low involvement/transformationally motivated (Nando's) trademarks/brands were probably perceived as a clear extension of the senior mark, confusing respondents and not necessarily causing the senior mark to become blurred. The high involvement/informationally motivated (Momentum) and high involvement/transformationally motivated (City Lodge) trademarks/brands were not clear extensions and the trademark blurring could have created an additional connotation to the trademark/brand causing the components of customer-based brand equity to be inhibited. As such, when trademark blurring is investigated, the nature and extent of the effect of trademark blurring should be determined and interpreted within the context of the strength of the trademark/brand, the nature of the trademark blurring and the number of exposures of the respondents.

8.3 CONTRIBUTION OF THE STUDY

The study made a contribution on four levels.

8.3.1 Development of an integrated conceptual construct of customer-based brand equity to measure dilution

The nature of the study, being an inter-disciplinary study of trademark dilution (law) and brand equity (marketing), required that relationships between constructs be investigated and explained to produce a legitimate measuring instrument of trademark dilution. The

conceptual construct (Appendix F) produced in this study is a hierarchical diagram, read from left to right, that explains the structure and relationships of and between trademarks and brands. The conceptual construct (Appendix F) starts with a definition of trademarks/brands, their historical development and the functions they serve as marketing (brands) and legal (trademarks) entities. Trademarks are protected against infringement (dilution) by legislation. Legislation is de-constructed to illustrate the nature of dilution (blurring and tarnishing) and evidentiary components. The value brands create, brand equity, can be conceptualised from both a strategic and customer-based perspective, but both perspectives also have certain elements in common. Brand attitude is the central component to the construct brand equity and consists of five sub-components: affect, cognition, attitude valence and stability, attitude accessibility and purchase intention. Brand familiarity precedes brand attitude, and brand loyalty results from brand attitude. Brand attitude, with its five sub-components, precursor brand familiarity and successor brand loyalty is the conceptualised measuring instrument for trademark dilution. Trademark dilution has been measured empirically, using both surveys and experiments.
The conceptual construct of customer-based brand equity and trademark dilution can be used for educational and research purposes to assist students, researchers and members of the legal fraternity to understand and prove the nature and extent of trademark dilution.

8.3.2 Execution of an instrument that measures trademark dilution

Only a few researchers have investigated the nature of the impact of trademark dilution on brand equity. Prior research focused primarily on attitude accessibility (the speed with which attitudes are recalled) and specific case studies, resulting in arguments that were lacking in detail and significance. An instrument that can measure the nature and extent of trademark dilution in respect of components of brand equity will provide a deeper understanding of trademark dilution. This study proposed and used an instrument to measure the effect of trademark dilution (tarnishing and blurring) on different components of trademarks/brands, differentiated according to the type of decision and type of motivation that drive trademark/brand attitudes. The measuring instrument consisted of one central construct, brand attitude, with five sub-components, preceded by brand familiarity and succeeded by brand loyalty. The results indicated that some components were affected in the same manner (inhibiting or enhancing components of brand equity), but that the effect varied in intensity, while other components were affected differently (inhibiting or enhancing components of brand equity). The measuring instrument was not specific to a particular type of trademark/brand and can be utilised to investigate and prove

dilution in legal proceedings and/or for brand managers to assess and manage their response to dilution.

8.3.3 Evidencing trademark dilution

The only evidence of trademark dilution produced to date focus on attitude accessibility which became slower as a result of dilution. Only a few case studies and surveys investigated specific trademarks to a limited context. This study used a factorial experiment to investigate the effect trademark dilution (tarnishing and blurring) had on specific components of customer-based brand equity. The results revealed that trademark tarnishing had an influence on high involvement trademarks/brands, that trademark blurring had an effect on low involvement trademarks/brands and that the effect of trademark tarnishing was generally inhibiting while the effect of trademark blurring was generally enhancing. Furthermore, the results indicated that trademark tarnishing and blurring affected individual trademarks/brands according to their level of involvement (high/low) and not according to their level of motivation (informational/transformational). Trademark tarnishing and blurring also had different (inhibiting and enhancing) and similar (inhibiting or enhancing), but varying in intensity, effects on components of customer-based brand equity. The strength of the trademark/brand under investigation is important as well as the nature of trademark tarnishing or blurring and the number of times exposure to the tarnishing or blurring trademark has taken place. The results can be used as evidence of an impairment of brand equity, specifically applicable to the conceptualisation of trademark dilution in the United States of America. The results can be used as evidence, though probably not to obtain anti-dilution trademark protection, in the Republic of South Africa of an inhibition of brand equity.

8.3.4 The influence of trademark dilution on components of brand equity

This study investigated specifically how trademark dilution affected specific components of customer-based brand equity. No study has to date empirically investigated whether trademark dilution (tarnishing and blurring respectively) affected how consumers feel (affect) about the brand; think (cognition) about the brand; how strong these thoughts and feelings are (attitude valence and stability); how fast these thoughts and feelings can be accessed (attitude accessibility); what consumers will do as a result (purchase intention); whether how familiar consumers are with the trademark/brand (brand familiarity) is affected as preceding brand attitudes; and if how loyal consumers are to the brand (brand loyalty) is affected as succeeding brand attitudes.

The contribution of this study has particular implications for trademark theory and branding theory.

8.4 IMPLICATIONS FOR THEORY

Trademark theory that addresses the effect of trademark dilution on brand equity is non-existent. Some contribution to trademark theory can be made.

In respect of trademark theory, the findings of this study confirm that trademark tarnishing (making the reputation of the senior trademark less favourable) and blurring (making the character of the senior trademark less distinct) are indeed two separate constructs. Trademark tarnishing may still result from trademark blurring and *vice versa*, but at least initially, after a single exposure, trademark tarnishing inhibits while trademark blurring enhances components of customer-based brand equity.

Trademark tarnishing does not automatically result in a probability of substantial economic harm (the South African threshold for evidencing trademark tarnishing), conceptualised as a depletion of customer-based brand equity, after a single exposure. But, it is suggested that a tarnished trademark will eventually, after being exposed to consumers on several instances, graduate from causing trademark/brand inhibition (the American threshold for evidencing trademark tarnishing) to impairment. Trademark blurring also does not result in a probability of substantial economic harm (the South African threshold for evidencing trademark blurring), conceptualised as a depletion of customer-based brand equity, after a single exposure. But, it is suggested that a blurred trademark will eventually, after continuous exposure, graduate from causing trademark/brand enhancement to inhibition (the American threshold for evidencing trademark blurring) to impairment.

Arguing trademark dilution should be based on an extensive conceptualisation of customer-based brand equity, consisting of multiple components, as the effect of trademark dilution is not as simple as a mere reduction in favourability (trademark tarnishing) or a lessening of distinctiveness (trademark blurring).

The threshold of a probability of substantial economic harm, as required in the Republic of South Africa, where economic growth enjoys preference over overly protecting senior marks against trademark dilution, may be too high. However, the results indicate that a substantial reduction in positive affect and favourable cognition, a weakening of attitude

valence and stability and slower attitude accessibility must take place before purchase intention will be sufficiently reduced to suffice as evidence of a probability of substantial economic harm.

In respect of existing branding theory, the effect of trademark dilution on brand equity is virtually non-existent. However, this study can make some contribution to branding theory.

Trademark tarnishing (making the reputation of the trademark/brand less favourable) has a statistically significant negative impact, after a single exposure, on two components (cognition; attitude valence and stability) of customer-based brand equity. As a result of trademark tarnishing, consumers think less favourably about the trademark/brand, perceive the trademark/brand as less important and have less confidence and certainty in their perception. Trademark tarnishing also has a negative impact, though not statistically significant, after a single exposure, on five other components (affect, attitude accessibility, purchase intention, brand familiarity, brand loyalty) of customer-based brand equity.

Trademark blurring (making the character of the trademark/brand less distinct) does not have a statistically significant impact, after a single exposure, on any component of customer-based brand equity. The effect of blurring, though not statistically significant, after a single exposure, on six components (affect; attitude valence and stability; attitude accessibility; purchase intention; brand familiarity; brand loyalty) of customer-based brand equity is positive. The effect of trademark blurring on one component (cognition) of customer-based brand equity is negative.

The effect of trademark tarnishing and blurring on components of customer-based brand equity is different in six instances (affect; attitude valence and stability; attitude accessibility; purchase intention; brand familiarity; brand loyalty), and similar, but varying in intensity, in one instance (cognition).

Trademark tarnishing affects certain components (affect; cognition; attitude valence and stability; attitude accessibility) of customer-based brand equity of individual high involvement trademarks/brands while blurring affects some of the same components (affect; cognition; brand loyalty) but for individual low involvement trademarks/brands. Trademark tarnishing affects high involvement trademarks/brands while blurring affects low involvement trademarks/brands. The effects of tarnishing and blurring on individual

trademarks/brands are primarily of a different nature, either inhibiting or enhancing the components of customer-based brand equity.

Finally, when the effect of trademark tarnishing on components of individual trademarks/brands is compared, the effect of tarnishing is different in 15 instances and similar, but varying in intensity, in five instances. When the effect of trademark blurring on components of individual trademarks/brands is compared, the effect is different in 20 instances and similar, but varying in intensity, in one instance. The fact that fewer components exhibited similar, but varying in intensity, effects as a result of trademark blurring implies that the effect of trademark tarnishing between trademarks/brands is less different (there are fewer components that show different effects as a result of trademark tarnishing) than the effect of trademark blurring between trademarks/brands.

8.5 IMPLICATIONS FOR PRACTITIONERS

The findings of the study have certain implications for both legal and brand practitioners.

Trademarks litigation is not always successful because legal practitioners fail to demonstrate that trademark dilution has a detrimental impact on the trademark, whether through arguments or by means of empirical evidence.

Legal practitioners can use the conceptual map produced in this study to trace the connection between trademark and brand constructs. Understanding the connection between trademarks and brands proposes a basis on which legal arguments can be built. The impact of trademark dilution, be it tarnishing or blurring, can now be explored and explained in more detail, within a contextual setting. Trademark tarnishing, making the trademark/brand less favourable, can be understood within the context of what consumers feel; think; how strong these thoughts and feelings are; how quickly the thoughts and feelings can be recalled; what consumers will do as a result; if how familiar they are with the brand; and if how loyal they are to the brand is affected. Trademark blurring can be explained on the same basis.

The components of customer-based brand suggested in this study that represent trademark value were empirically tested to demonstrate their appropriateness to determine the impact of trademark dilution. The survey instrument, based on an experimental

research approach, can help legal practitioners assess the damage or potential damage to a trademark/brand and advise clients to litigate or not.

Results of the empirical study indicated which components of customer-based brand equity are affected by trademark dilution, to what extent and for which trademarks/brands. It is suggested that the statistically significant results are most appropriate to demonstrate harm to a court's satisfaction as the court will, if providing anti-dilution protection to a senior mark, intervene in the economy and free market competition. However, in managing brands, the brand practitioner should not wait for the impact of trademark dilution to become significant before acting. Therefore, the trends suggested by the statistically significant and insignificant results should be recognised before considering responsive action.

The hypotheses indicated for which trademarks/brands in respect of what components of customer-based brand equity, brand managers should keep a vigilant eye, when a red flag is raised and when the first cut to the character or reputation of the trademark/brand is made. If a vigilant eye is required, the study indicated that there is an effect on customer-based brand equity but the effect may be positive or only slightly negative, suggesting no responsive action by a brand manager, only vigilance. If a red flag is raised, the brand manager should start to consider responsive action in the nearby future, especially if exposure of consumers to the diluting junior trademark/brand persists. A first cut to the character or reputation of the trademark/brand indicates to the brand manager to initiate defensive action immediately, be it in the form of responsive marketing or by considering requesting anti-dilution protection from the courts. Brand practitioners will now know when to react, or not, how to react and to what extent if a diluting trademark/brand appears on the horizon.

8.6 LIMITATIONS OF THE STUDY

When the study was designed it had to be decided to either test four individual trademarks/brands (Momentum; City Lodge; FNB; Nando's) in four different categories (high/low involvement; informational/transformationally motivated) or four individual trademarks/brands (for example Momentum; Sanlam; Old Mutual; Liberty) in one category (high involvement/informationally motivated). Examining four individual trademarks/brands in four different categories made it possible to examine the relative effect of tarnishing and blurring on trademarks/brands classified according to type of decision (high/low

involvement) and type of motivation (informational/transformational). Examining four individual trademarks/brands in one category would have made it possible to examine the relative effect of tarnishing on trademarks/brands within a certain category. The first option (four trademarks/brands in four different categories) was chosen as it could provide a broader insight as to how trademark/brand dilution affected customer-based brand equity. As a result, the findings are less generalisable than the findings would have been for the second option (four trademarks/brands in one category). However, the second option would only have enabled detailed findings of the effect of trademark/brand dilution in one category, limiting the generalisability of the results.

The respondents were only exposed to one example of tarnishing or blurring in a single printed advertisement in an artificial environment. More exposures in a variety of formats (for example television, radio, social media) in a dynamic environment (social context) could have led to more pronounced or significant results but would have made the study, given the structure selected above (four individual trademarks/brands in four categories) prohibitively expensive and time consuming.

There was very limited marketing literature available as to how trademark dilution should be conceptualised and measured. Available literature only focused on response latency (attitude accessibility) and no academically based or empirically validated construct existed that explained how customer-based brand equity could be used to conceptualise trademark dilution. The legal literature addressing the conceptualisation and measurement of trademark/brand dilution was based on American law and theory where the evidentiary threshold of trademark dilution is lower than that required by South African courts.

The limitations of the study however, leave scope for future research in the relatively novel field of conceptualising and measuring trademark/brand dilution.

8.7 IMPLICATIONS FOR FUTURE RESEARCH

The study can be extended in a myriad ways.

The study can be duplicated but qualitatively and quantitatively diverse levels of exposure can be introduced to determine if the four individual trademarks/brands (Momentum; City Lodge; FNB; Nando’s) will react the same after a certain number of exposures of a diverse nature compared to a single exposure of a particular nature. The study can then also

investigate at what point (number of exposures) which components of brand equity are influenced and to what extent.

The study can be extended and four individual trademarks/brands (for example Sanlam; Old Mutual; Momentum; Liberty) can be investigated in each of the four categories (in the example high involvement/informationally motivated) to determine if the influence of trademark/brand dilution, tarnishing and blurring, is category-specific.

Different trademarks/brands (for example Mastercard and Momentum) within the same category (high involvement/informationally motivated) but from different product/service categories (credit cards and life insurance) can be investigated to determine if trademarks/brands within a particular product/service category react the same or not to a particular form of dilution (tarnishing or blurring) and if the forms of dilution (tarnishing or blurring) has similar or dissimilar results.

Different levels can be introduced to the trademark tarnishing and blurring intervention. A single trademark/brand can be exposed to different forms of trademark tarnishing and blurring to determine if the influence of trademark tarnishing and blurring differ depending on the nature of the trademark tarnishing and blurring.

The impact of dilution (tarnishing or blurring) on trademarks/brands that are classified according to provision of a service or offering of a product, can be examined to determine if tarnishing and blurring have different or similar effects on customer-based brand equity.

Different data collection methods can be used to investigate the same trademarks/brands and the results compared to identify an optimal measuring instrument. For example, brain activity (EEG), facial muscle activity (EMG) and Galvanic Skin Response (GSR) can be measured in respect of particular trademarks/brands, dove-tailed by a questionnaire similar to the questionnaire used in this research.

A case study on an actual example of trademark/brand dilution, for example the Ben and Jerry Ice Cream case in America (Katz, 2012), may produce interesting insights in the nature of the harm caused by trademark/brand dilution and could introduce new areas of interest and research.

The individual components (affect; cognition; attitude valence and stability; attitude accessibility; purchase intention; brand familiarity; brand loyalty) of customer-based brand equity should be examined to determine if there is correlation between components and if so, whether correlation is specific to certain trademarks/brands.

8.8 CONCLUSION

Senior marks that can claim anti-dilution protection from courts must be well-known. A well-known trademark is usually a strong brand that is valuable because it has certain effects, referred to as customer-based brand equity. Customer-based brand equity consists of several components: how familiar consumers are with the trademark/brand; their attitude towards the trademark/brand defined in terms of feelings and thoughts; the valence and stability of their thoughts and feelings; how quickly they can recall their thoughts and feelings; what they plan to do about their thoughts and feelings; and how loyal they are towards the trademark/brand. The components of customer-based brand equity provide benefits to the trademark/brand owner and its customers. For the brand owner, the brand has certain advantages in respect of price, product, communication and channel distribution. For the trademark owner, the trademark serves to identify, differentiate and guarantee quality while stimulating purchases through advertising. For customers, the trademark/brand serves a knowledge; ego-defensive; value expressive; and utilitarian functions. If a junior mark/brand enters a market, using a similar trademark/brand than the senior mark, the senior trademark/brand becomes concerned that its trademark/brand will be diluted either through blurring (making the character of the senior trademark/brand less distinct) or tarnishing (making the reputation of the trademark/brand less favourable). The effect of the dilution could result in the same benefits generated by the trademark/brand not accruing to the trademark/brand owner and customers, to the same extent and quality, anymore. The trademark/brand thus becomes less valuable.

To prevent a reduction in trademark/brand value, senior trademarks/brands can approach the court and request anti-dilution protection. The senior trademark/brand must then demonstrate that the mark of the junior user is similar to the trademark/brand of the senior user, that the trademark/brand of the senior user is famous/well-known and that the nature of use by the junior mark is unauthorised, occurred in the course of trade and was unfair and detrimental to the senior trademark/brand, amounting to harm. In considering if use by the junior mark was detrimental to the senior trademark/brand the court weighs the

interests of three parties: the consumer, senior trademark/brand, and junior mark. South African courts require that the senior trademark/brand must demonstrate a probability of substantial economic harm. American courts require a demonstration of a probability of dilution while British courts require a demonstration of actual dilution.

The purpose of this study was to assess the effect of trademark dilution, tarnishing and blurring, on components of customer-based brand equity for combined and individual trademarks/brands in order to assist senior trademarks/brands in understanding the nature and extent of trademark dilution. Results were generated using a multi-factor experiment, conducted with an electronic survey instrument, using 12 experimental groups and four trademarks/brands. Analysed results indicated that tarnishing inhibited four components of customer-based brand equity of high involvement individual trademarks/brands. Conversely, blurring enhanced three components of customer-based brand equity of low involvement individual trademarks/brands. Trademark tarnishing and blurring had opposite and similar, but varying in intensity, effects on most components of customer-based brand equity of all individual trademarks/brands. Trademark tarnishing had opposite or similar, but varying in intensity, effects on most components of customer-based brand equity of all trademarks/brands. Trademark blurring had primarily different effects on most components of customer-based brand equity of all individual trademarks/brands.

The most important conclusion drawn from the interpretation of the results is that trademark tarnishing and blurring are indeed different constructs with different and similar, but varying in intensity, effects on components of customer-based brand equity. The effect of trademark tarnishing and blurring will probably change as a result of multiple exposures, but after a single exposure, customer-based brand equity was only inhibited for tarnished trademarks/brands and enhanced for blurred trademarks/brands. A mere inhibition of customer-based brand equity is unlikely to convince a South African court, that considers a free and open economy as paramount, to provide anti-dilution protection to a senior mark. A South African court will probably only be convinced that substantial economic harm was the result of trademark dilution if customer-based brand equity demonstrates a probability of an impairment of customer-based brand equity. An American court however will more than likely accept that inhibition of customer-based brand equity is proof of a probability of dilution. This may be because trademarks/brands function in a more regulated economic environment in America.

The research provided some pointers for legal and marketing practitioners. Legal practitioners should understand the physiology of customer-based brand equity and its inherent components to possibly frame arguments and commission research to evidence harm (or not). Marketing practitioners can classify trademark tarnishing and blurring according to the effect they have on brands and as a result know how to respond.

But, the FNB trademark/brand illustrated that a trademark/brand can be enhanced by an obvious joke, and trademark dilution can be seen as a product/service extension which should give product/service developers some thoughts as to how the trademark/brand can be extended. When trademark dilution is considered, it will be wise to contemplate the context and nature of the trademark dilution, the target market and its preference as to price, the attributes of the product/service whose trademark/brand is allegedly diluted, and larger social, political and economic questions.

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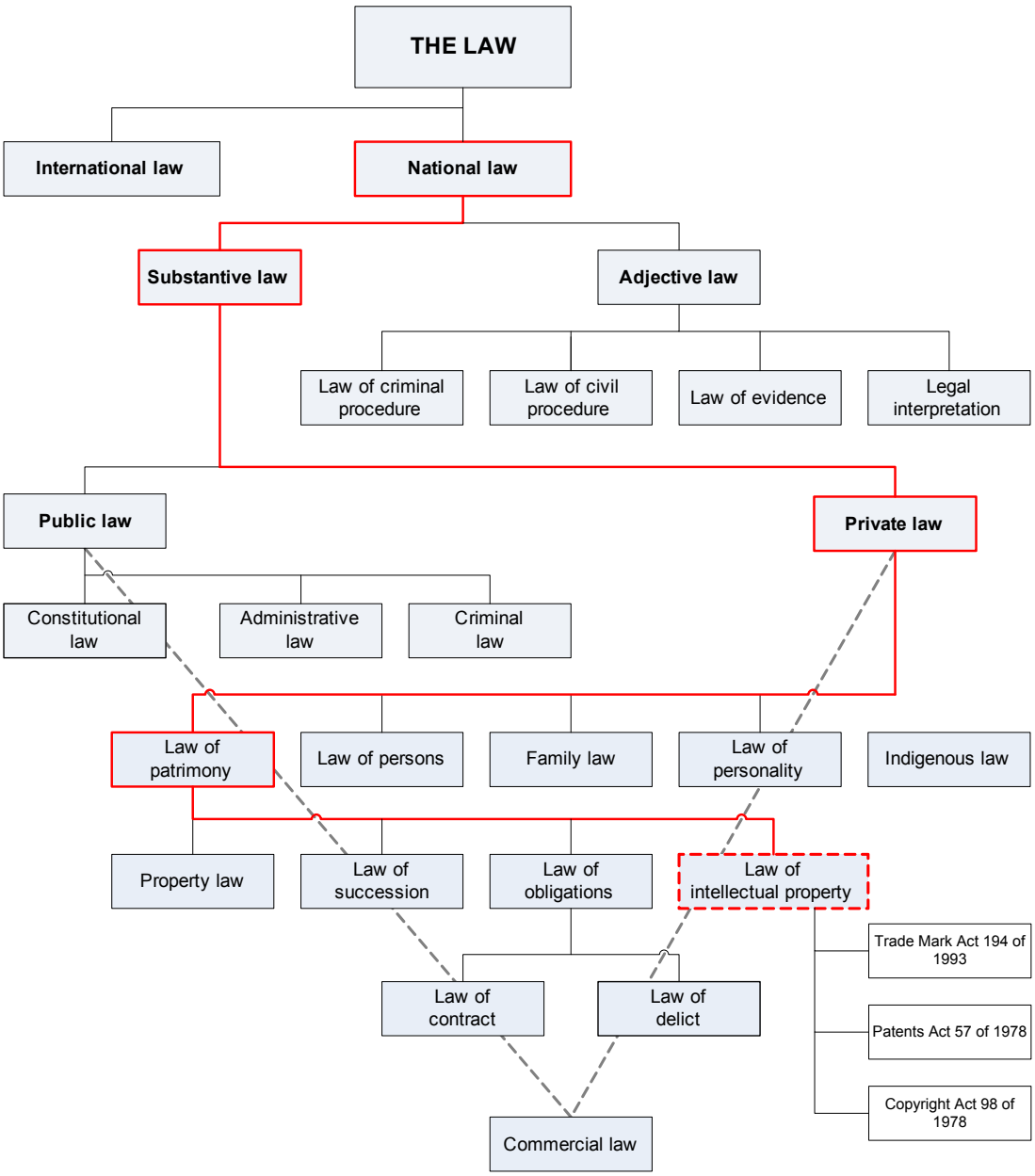
Appendix A:

Taxonomy of trade mark law in the Republic of South Africa



Appendix B:

Summary of dilution court cases in the Republic of South Africa

Applicant	Respondent	Base of application	Ruling	Motivation
Safari Surf Shop CC v Heavywater and others [1996] 4 All SA 316 (D)				
Safari Surf Shop CC Trademark: 'spider', incorporated 'spider device' on surfboards. Allege confusion or deception.	Heavywater and others Trademark: 'spyderbilt' on surfboards	Sec 34(1)(a): Deception/confusion in respect of registered goods/services. Sec 34(1)(c): Detriment to character/repute in respect of any goods or services.	Applicant succeeds.	Similarity will cause confusion or deception. Continual use: detrimental to repute of applicant.
Bata Ltd v Face Fashions CC and another 2001 (1) SA 844 (SCA)				
Bata Ltd Trademark: 'Power' and accompanying device marks on footwear and clothing.	Face Fashions CC & another Trademark: 'Power House' or 'Powerhouse' with distinctive dog device on clothing.	Sec 34(1)(a): Deception/confusion in respect of registered goods/services. Sec 34(1)(c): Detriment to character/repute in respect of any goods or services.	Applicant fails. Could not prove confusingly similar. Similarity not sufficient to comply with Section 34(1)(c)	Not similar, confusion or deception not likely. No evidence provided of detriment to character or repute.
National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd 2001 (3) SA 563 (SCA)				
National Brands Ltd Trademark: 'Romany Creams' for biscuits.	Blue Lion Manufacturing (Pty) Ltd Trademark: 'Romantic Dreams' on similar biscuit.	Sec 34(1)(a): Deception/confusion in respect of registered goods/services. Sec 34(1)(c): Detriment to character/repute in respect of any goods or services.	Applicant fails. Could not prove confusingly similar. Similarity between trademarks not sufficient to comply with Section 34(1)(c)	Confusion/deception not likely caused by sound of trademark. Trademark name conveyed as whole and as such recognisable. 'Romany Creams' well known, probability of confusion/deception reduced. Two trademarks not 'identical or similar', based on above, no unfair advantage/detriment.
Beecham Group plc and another v Triomed (Pty) Ltd 2003 (3) SA 639 (SCA)				
Beecham Group plc and another Trademark: Augmentin tablets, name embossed on one side of oval, bi-convex white tablets.	Triomed (Pty) Ltd Trademark: Augmaxcil tablets, same composition, shape and colour (white) as Augmentin,	Sec 34(1)(a): Sec 9 and 10: Registration	Applicant fails. Could not prove marks sufficiently similar to cause deception	Shape in common use, not capable of distinguishing in trademark sense. Shape not distinctive through use – does not guarantee source.

	trademark name not embossed on tablet.	requirements and restrictions (mark must be capable of distinguishing).	or confusion. Two marks not similar for purposes of section 34(1)(c)	Shape of pill provides reasonable technical solution.
Albion Chemical Co (Pty) Ltd v F A M Products CC 2004 (6) SA 264 (C)				
Albion Chemical CO (Pty) Ltd Trademark: Albex bleach	FAM Products CC Trademark: All Blax bleach	Sec 34(1)(a) Sec 34(1)(c)	Applicant succeeds.	Marks confusingly similar. Applies.
Klimax Manufacturing Ltd & another v Van Rensburg & Another 2005 (4) SA 445 (O)				
Klimax Manufacturing Ltd Trademark: Klimax and Speedheat	Van Rensburg & Another Trademark: Term-O-Care	Sec 34(1)(b) Sec 34(1)(c)	Applicant fails. Applicant fails.	No degree of similarity that will cause deception or confusion. Should have proven mark well known and unfair advantage taken of mark.
Laugh It Off Promotions CC v SAB International (Finance) BV t/a SabMark International (Freedom of Expression Institute as amicus curiae) 2006 (1) SA 144 (CC)				
Laugh It Off Promotions CC Trademark: Parodied version of Black Label beer on T-shirts. Alleges social commentary therefore protected under freedom of expression.	SabMark International Trademark: Black Label beer.	Sec 34(1)(c): Detriment to character/repute in respect of any goods or services.	Applicant succeeds.	Detriment relied upon must be substantial, otherwise not prohibited. Evidence of likelihood of substantial economic detriment to mark must be provided, respondent did not.
Verimark (Pty) Ltd v BMW AGBMW AG v Verimark (Pty) Ltd 2007 (6) SA 263 (SCA)				
Verimark (Pty) Ltd Trademark: Diamond Guard Used vehicles with respondent's BMW logos to advertise Verimark car care kit and - polish products.	BMW AG Trademark: BMW registered logo for polish and cars.	Sec 34(1)(a): for polish mark Deception/confusion in respect of registered goods/services. Sec 34(1)(c): for car mark Detriment to character/repute in respect of any goods or services.	Applicant fails.	Customer perception of alleged infringing use of logo determining factor. Infringement = material link between infringer's product and owner of mark. Cannot isolate logo from context of use. Customer will not perceive BMW as source identifier for polish. Association does not lead to blurring or tarnishment by implication.

Appendix C:
Parody and spoofing

During the early depression years in America a new magazine, called 'Ballyhoo', was published that offered an alternative view of American culture and politics. The alternative view was offered through parody[8] advertisements that used familiar advertising layouts, typefaces, copywriting styles and techniques which it distorted or exaggerated to emphasise three themes. The first theme addressed advertisements' basic dishonesty in using techniques to facilitate the purchase of useless and unnecessary products. The second theme questioned the integrity and independence of the media in which these advertisements appeared. The third theme attacked the business men and politicians who used dishonest advertising and media to empower and enrich themselves, leading the American nation into the depression (McFadden, 2003) The aforementioned is illustrated by three examples that appeared in the magazine.

An example of the first theme is a parody of a slimming product which claimed to change the consumer's life instantaneously for the better. The spoofed[9] advertisement claimed that the consumer, because she was obese, was a social outcast and as a result attempted suicide by jumping in a river and subsequently caused a well-known flood. However, when she discovered the slimming product she lost 370 pounds in 14 days and went on to win a beauty competition and marry a millionaire. The spoof was accompanied by a before and after photo of the consumer, clearly showing it was not the same person. The second theme illustrates a spoof of the media where the strategy of the magazine, using cultural and class conventions to appeal to readers and thus increase circulation, is exposed. A photograph of a raggedly-dressed woman, scrubbing laundry in a depressing environment with the caption "Mrs. VanZilcherbilt is snapped killing an idle hour..." (McFadden, 2003, p. 128) becomes a parody of the impossibility of an ordinary American

[8] Parody is defined as a literary or musical work in which the style of an author or work is closely imitated for comic effect or ridicule or a work created to "...mock, comment on, or poke fun at an original work, its subject or author, or some other target, by means of humorous, satiric or ironic imitation" (Parody, 2008). Hutcheon (1985, p. 32) quotes and discusses a variety of definitions of the concept 'parody'. However, the author seems to favour the definition of parody as "...ironic 'trans-contextualisation' and inversion,...with difference" implying a distance between the background tex being parodied and the new incorporating work" where the distance between the two is signalled by irony that can be playful, belittling, critically constructive or destructive. Dentith (2000) differentiates between specific – and general parody. Specific parody is aimed at a specific art-work of piece of writing while general parody is aimed at a whole manner, style or discourse of work.

[9] Spoof means to parody by imitation or to make good-natured fun of (Spoof, 2008).

during the depression of becoming part of an upper and more leisurely class depicted as ideal by the media. The last theme is illustrated by a variety of cartoons over a period of time during the 1930s. One of the cartoons depicts President Hoover as a vacuum cleaner sucking money out of every pocket and purse of ordinary Americans, labelling it taxes while ensuring the public that 'Prosperity is just around the corner'. Disdain for wealthy business men is evidenced by a depiction of a couple breaking up their furniture and burning it to stay warm under the heading 'Keep the home fires burning' in response to a remark of a wealthy business man that the "...Depression is a wholesome thing in general" (McFadden, 2003, p. 130).

'Ballyhoo' eventually went insolvent in the late 1930s due to a variety of reasons, one being competition from new magazines. However, their novel strategy of using parodies to reject and comment upon advertisement; the media that published it and the business men and politicians who benefited from it, thus exposing the discrepancy between the aforementioned and the realities of most Americans, became one of two testators of a legacy that will later become known as 'Culture Jamming'. The other testator of the 'Culture Jamming' legacy was called 'Situationists International', a group of avant-garde artists who were committed to "...detouring pre-existing political and commercial rhetoric[s] in an effort to subvert and reclaim them" (Harold, 2004, p. 192) during the 1950s and 1960s in Paris.

The object of Situationists' International's struggle was firstly the passive culture of spectatorship in the art world (Klein, 2000) and secondly capitalist society who accepted that they could be fulfilled through entertainment and consumption (Harold, 2004). In order to reinstall an 'authentic life', Situationists International used a strategy called 'détournement'. 'Détournement' if translated from French means not only 'detour' or 'diversion' but also 'hijacking'; 'embezzlement'; 'corruption' and 'misappropriation' (Harold, 2004, p. 192). 'Détournement' can also be described as an "...image, message or artefact lifted out of its context to create a new meaning" (Klein, 2000, p. 282). An example of a 'détournement' aimed at the spectatorship of the art world is probably best demonstrated by the paintings of Innocent X in Images D.1 and D.2 below ("Detournement," 2008). Image D.1 shows a powerful and unscrupulous pope who took the name Innocent while Image D.2 shows a pope transformed to a screaming victim.

Image D.1: Innocent X by Diego Velázquez

Source: ("Detournement," 2008)

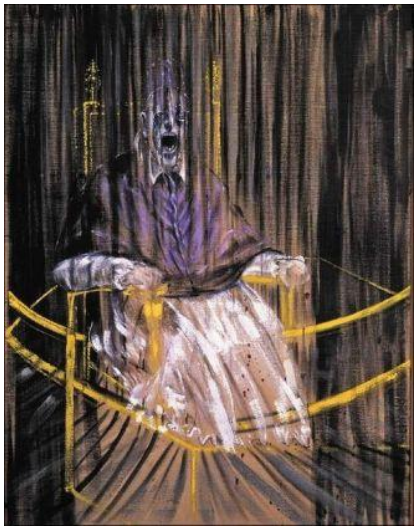


Image D.2: Study after Velázquez's Portrait of Pope Innocent X by Francis Bacon

Source: ("Detournement," 2008)

However, the two testators of the culture jamming legacy differ in two ways, but also share one commonality. In parodic advertisements, such as those designed by 'Ballyhoo', the 'enemy' in the first instance is companies, business men and governments. In the second instance it uses a device – parody – that maintains the truth while revealing the difference between simulated reality as created by the 'enemy' and reality for ordinary people. The enemy for Situationists International is the passive individual as part of a society in the first instance and in the second instance it uses a device - 'détournement' – that maintains the truth while unsettling the perception of the truth by the passive individual. Even though

these differences exist between the two testators, they share one general and important characteristic – both were reactions to a phenomena called ‘simulacrum’.

Simulacrum is a notion developed and published by philosopher Jean Baudrillard in 1975. According to the philosopher media has created a ‘hyperreality’ that individuals inhabit. However, the simulated or ‘hyperreality’ bears no relevance to actual reality as the latter has been lost in “...an infinity of reflections” (Dery, 2004, p. web page) created by a hall of media mirrors. The result of simulacra is that simulated reality becomes its own reality as it reflects, masks and perverses actual reality, the absence thereof as well as any relation thereto. Resistance to the creation of simulacra through concentrated media ownership, media communications that invaded public spaces (for example bill boards), one-way flows of information and the subsequent devaluation of free speech, became more pronounced from the early 1980s. This new method of media activism that is a combination of the 1930s parodic advertisements and the 1950s and 1960s ‘détournement’ is called ‘culture jamming’.

The term ‘culture jamming’ was coined in 1984 by Negativland, a San Francisco audio-collage band (Dery, 1990; Klein, 2000). The aim of the band was to re-direct the public viewer to a consideration of the real company strategy via sabotage of the company’s media communication which in this case was radio. The band released a ‘jam’ that consisted of assembled fragments of advertising jingles and commercial voice-overs ("Culture Jamming,"), described by the group as “...’media about media about media’...” (Dery, 2004, p. web page). Another form of culture jamming, ‘billboard banditry’, appeared in 1989 in San Fransisco after the Valdez oil spill, announcing to commuters that “Shit Happens. New Exxon” (Klein, 2000, p. 282). Many forms of culture jamming exist, including *inter alia* , audio agitprop (see example of Negativland), ‘subvertisements’ (see ‘Adbusters’ below) and billboard banditry (see example of Exxon) (Dery, 2004), but all forms share one common characteristic: they are the result of a creative process.

In 1990 the first reference to culture jamming as a phenomenon was made in mainstream media when an article ‘The Merry Pranksters [a]nd the Art of the Hoax’ appeared in the New York Times (Dery, 2004). In this article ‘cultural jammers’ were described as artists who used the same media corporate and political powers used as a tool of behaviour modification, to expose such behaviour modifications. By extension, the author terms cultural jamming as “...artistic ‘terrorism’ directed against the information society in which

we live" (Dery, 2004, p. web page). However, one of the culture jammers quoted by the author states that the difference between an artist and a culture jammer is the purpose of the effort: for an artist it is to make money, for a culture jammer it is to make a statement. 'Adbusters', a non-profit, anti-consumerist organisation founded in 1989 in Canada, chose to make its statements through 'subvertisements' that spoofed popular advertisements ("Adbusters," 2008). Image D.3 demonstrates a 'subvertisement' in parodying the supporters of the Tommy Hilfiger brand as sheep who mindlessly follow the brand. Image D.4 parodies the McDonald logo to the reading of a heart monitor of a patient who is having a heart attack reflected on the monitor screen as 'Big Mac Attack'.

Image D.3: A spoof of the Tommy Hilfiger brand

Source: ("Adbusters," 2008)

Image D.4: A spoof of McDonalds

Source: ("Adbusters," 2008)

Although many definitions of culture jamming exist ("Culture Jamming,"), it is difficult to find one precise definition that is neither too general (for example describing it as a resistance movement to cultural hegemony) nor too specific (for example describing it as an art movement). It will probably suffice to define it in terms of what it seeks to achieve as a movement and the strategies it employs to do so. As such, describing it as a movement that seeks '...to undermine the marketing rhetoric of multinational corporations, specially through such practices as media hoaxing, corporate sabotage, billboard 'liberation', and trademark infringements" using advertising parodies as a culture jamming strategy (Harold, 2004, p. 190), seems most appropriate (a similar definition is provided by "Culture Jamming"). A 'culture jammer' can therefore be described as someone who "...disrupts the [*status quo*] of corporate influence" ("Adbusters," 2008).

Parallel to the above definition, Justin Nurse ("Justin nurses a big brand hangover," 2003, p. web page) defines a 'culture jammer' as someone who turns "...strategic corporate elements back on themselves in a manner which is in itself invisible, directs the public viewer to a consideration of the original corporate strategy in the context of a thoughtful reaction". Justin Nurse, while still a journalism and politics student at Rhodes University, started producing t-shirts for fellow students, fraternities and societies in 1999 ("Design indaba: conference speakers 2008,"). The nature of the t-shirts was to spoof, which means to parody by imitation ("Spoof," 2008), famous brands (Rengecas, 2005). Examples of spoofed brands that appeared on the t-shirts produced by Justin Nurse include the brand name 'Red Bull' replaced with 'Dead Bull' and the brand slogan 'Gives you wings' replaced with 'Gives you mince' and the brand name 'Joshua Doore' replaced with 'Joshua's Whore' ("Just laugh it off," 2004).

Appendix D:
Economics based approach to brand equity

The economics-based approach is based on the premise that consumers are imperfectly informed about product attributes and that the uncertainty about the experience attributes of products specifically may persist even "…after experience with a product because some product attributes might not be revealed fully to a consumer after only a few purchases" (Erdem, 1998, p. 340). The imperfect and asymmetrical information structure of markets therefore results in consumers perceiving a certain amount of uncertainty (even after substantial experience with the product) evidenced by perceived risk for such a product. The consumers' perceived risk is either buying a low quality product or a product that does not fit their taste. The problem of how to reduce consumers' uncertainty and consequently lower their perceived risk has received some attention in recent research.

Sappington and Wernerfelt (1985) suggested using a simple theoretical model that was an extension of Hotelling's (Sappington & Wernerfelt, 1985, p. 280) classic duopoly model of spatial competition[10] to account for the possibility that multi-product companies may attract customers in a new market by using their existing reputation in other markets. This is done by using an existing brand name (referred to as the parent brand) for the new product that will be sold in another market. Wernerfelt (1988), using a signalling model, explains that when the parent brand company brands a new product using the same brand name (a process called umbrella branding) it is claiming in the first instance that the existing and the new products are both of good quality and in the second instance that previous experience of the existing product can be used to make an inference of the quality of both existing and new product. By using the parent brand as an information inference unit, consumers reduce their uncertainty and subsequently also the perceived risk associated with the extension. Montgomery and Wernerfelt (1992) agrees with this explanation. The authors developed and tested a theory portraying branding as a means of risk reduction, proving empirically that umbrella branding served a risk reducing function and that this effect was strongest when the product was expensive.

[10] This model predicts in the first instance if a multi-product company will brand a new product with the established company brand name and, if so in the second instance, where the new product will be positioned in terms of the reputation established by the company in other markets. The extension proposed by Sappington and Wernerfelt (1985) related to experience products whose qualities could only be known with certainty after the product was purchased and consumed.

Erdem (1998) developed a model, based on the signalling theory of umbrella branding (Montgomery & Wernerfelt, 1992; Wernerfelt, 1988), to examine consumer choice processes in categories in which subset of brands share the same brand name. This model incorporated consumer learning of quality through use experience across two product categories as well as risk reduction while allowing for price sensitivities and quality perceptions to be correlated across categories (existing and new). It was found that consumers expect the quality of the umbrella brands to be correlated and that they updated their perceptions through use experience in both categories. Erdem (1998, p. 347) concluded that a strong parent brand and a good fit do not ensure success if the quality of the new brand does not match consumer expectations.

Appendix E:
Sociology – and biology based approach to brand equity

The sociology- and biology-based approach is guided by an interpretive paradigm that combines sociological, anthropological and cultural theory with qualitative data collection (Esch, Langner, Schmitt, & Geus, 2006, p. 99) to explain why brands have a particular value as opposed to measuring and describing the particular value (the psychological-based approach). Research in this regard can be classified into two categories. The first category focuses on the cultural meaning of brands and products (McCracken, 1986), brand communities (Muniz & O'Guinn, 2001; Schouten & McAlexander, 1995) and brand relationships (Huffman, Ratneshwar, & Mick, 2000). The second category considers consumer perceptions and the consumer subconscious (Schmitt, 1999; Zaltman & Coulter, 1995). These two categories will be briefly discussed.

Cultural meaning according to McCracken (1986, p. 71) is located in the culturally constituted world, the consumer good and the individual consumer. Cultural meaning moves in a trajectory from the culturally constituted world to the consumer good and from the latter to the individual consumer. Advertising, the fashion system and consumer rituals have been identified as the means by which meaning is drawn out of and transferred between these three cultural meaning locations. A brand community "…from a customer-experiential perspective is a fabric of relationships in which the customer is situated' (McAlexander, Schouten, & Koenig, 2002, p. 38)[11]. The pivotal relations (proven through quantitative analysis by McAlexander et al., 2002) are those between the customer and the brand, the customer and the company, the customer and the product in use and among fellow customers. A company can obtain a competitive advantage through redefining its brand(s) by differentiating on the basis of ownership and consumption experience achieved through programs strategically designed to enhance customer-centred relationships[12]. Muniz and O'Guinn (2001) also offer empirical support of a 'consumer-brand-consumer' triad in favour of a 'consumer-brand' dyad based on the

[11] Muniz and O'Guinn (2001, p. 412) offer a similar definition of brand community as "…a specialised, non-geographically bound community, based on a structured set of relationships among admirers of a brand".

[12] Schouten and McAlexander (1995) investigated subcultures of consumption or brand communities, based on ethnographic fieldwork with Harley-Davidson motorcycle owners in an attempt to justify using social categories as devices for understanding consumer behaviour. They justified their suggested approach empirically and remarked that in consumer cultures people do not define themselves according to sociological constructs but rather in terms of activities, objects and relationships that give their lives meaning. Also see Schmitt (1999) in this regard.

argument that brands have a social nature (are social objects), are socially constructed and that consumers are actively involved in this construction. Consumers build brand relationships and form brand communities similar to how they form relationships and communities in their personal lives (Esch, et al., 2006, p. 98). As such, sociological, anthropological and cultural theory combined with qualitative data collection is used to interpret the brand relationship construct[13]. A relationship is what it means and therefore if a given relationship (for example between a consumer and a brand) is to be understood, the meanings the relationship provides to the person who engages in it, must first be understood (Fournier, 1998). Relationships affect and are affected by the contexts (psychological, socio-cultural and relational) in which they are embedded. If a company wants to anticipate the constellation of brands with which a consumer is likely to develop a relationship, it was empirically proven (Fournier, 1998) that understanding the broader context of the customer's life experience will enable it to do so. Relationship marketing is explained by the dimensions (power symmetry-asymmetry, cooperation and friendliness, intensity and interdependence and the degree to which the relationship is social) of interpersonal relationships (Grossman, 1998). These dimensions can be used to categorise a variety of relationship dyads. Each dyad is further described in terms of being either high or low. Social context provides meaning to a product's branding campaign, its advertising claim, its market logic and the meaning of specific product attributes (O'Guinn & Muniz, 2004)[14]. O'Guinn and Muniz (2005: 255) conclude that contemporary society is "…a branded society, and brands had meaning, social meaning, meaning that cannot be isolated from its historical, political, cultural, and social grounding". Zaltman and Coulter (1995) suggested the Zaltman Metaphor Elicitation Technique (ZMET) designed to surface the mental models that drive consumer thinking and behaviour as well as characterise such models in actionable ways using consumers' metaphors. This technique was developed as the authors view verbal communication as incomplete due to their narrow, literal sense. As most communication between humans is non-verbal, important opportunities to learn from consumers are overlooked by ignoring non-verbal communication as part of the research process. The Zaltman Elicitation Technique (ZMET)

[13] The brand relationship construct consists of three sub-constructs (Esch, et al., 2006), namely brand satisfaction, brand trust and brand attachment.

[14] The example of Ivory soap (D.A. Aaker, 1991), launched in 1881 in America is used to demonstrate how social context can be used successfully. The name 'Ivory' had specific associations. It was pure, when purity was of vital concern in America because of low life expectancy, and this purity claim was substantiated by a chemist. The purity claim was demonstrated by its ability to float (initially created by a production mistake). Consumers started to associate Ivory soap with a device that prevented people from dying. As such, the social context provided meaning to Ivory soap's branding, its advertising claim and its market place logic.

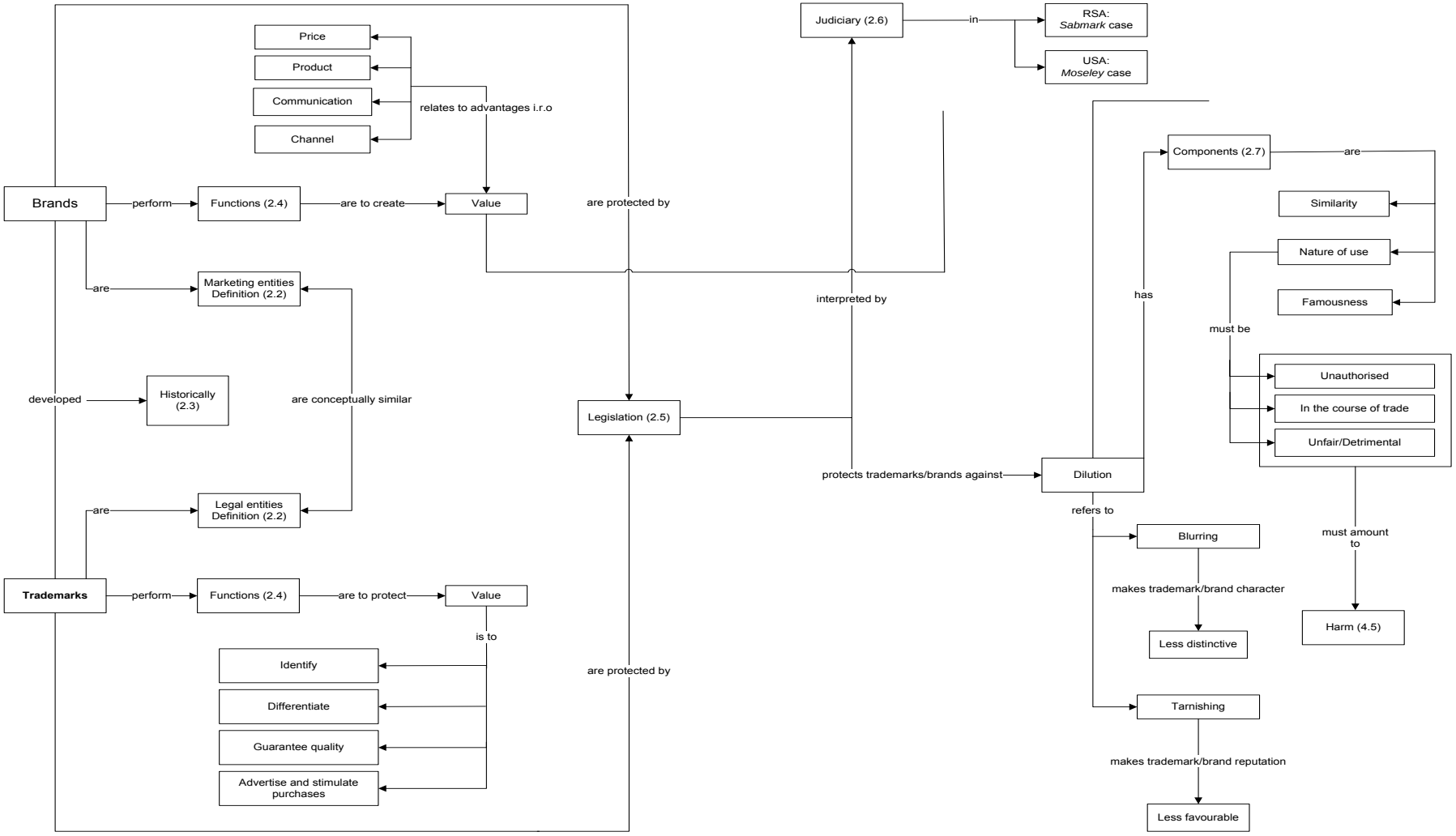
was designed to fulfil the need for a method "…that elicits consumer information via multi-sensory channels" (Zaltman & Coulter, 1995, p. 36). An alternative marketing approach based on the premise that humans are rational and emotional beings, is suggested by Schmitt (1999). Schmitt (1999) calls this approach experiential marketing and posits that humans (and thus by implication consumers) pursue pleasurable experiences that can be classified into five types or strategic experiential modules (SEMs)[15]. The author offers four characteristics of experiential marketing of which one, a focus on consumption as a holistic experience, is important to this discussion[16]. According to this focus marketers should investigate consumption situations and what it means in a broader socio-cultural context. In other words, products should not be contemplated in isolation, but along "…the socio-cultural consumption vector (SCCV) into the customers' broader space of meaning" (Schmitt, 1999, p. 58). This focus on consumption as a holistic experience may assist in explaining why some consumers experience use by a junior user as dilution by tarnishing and other consumers do not.

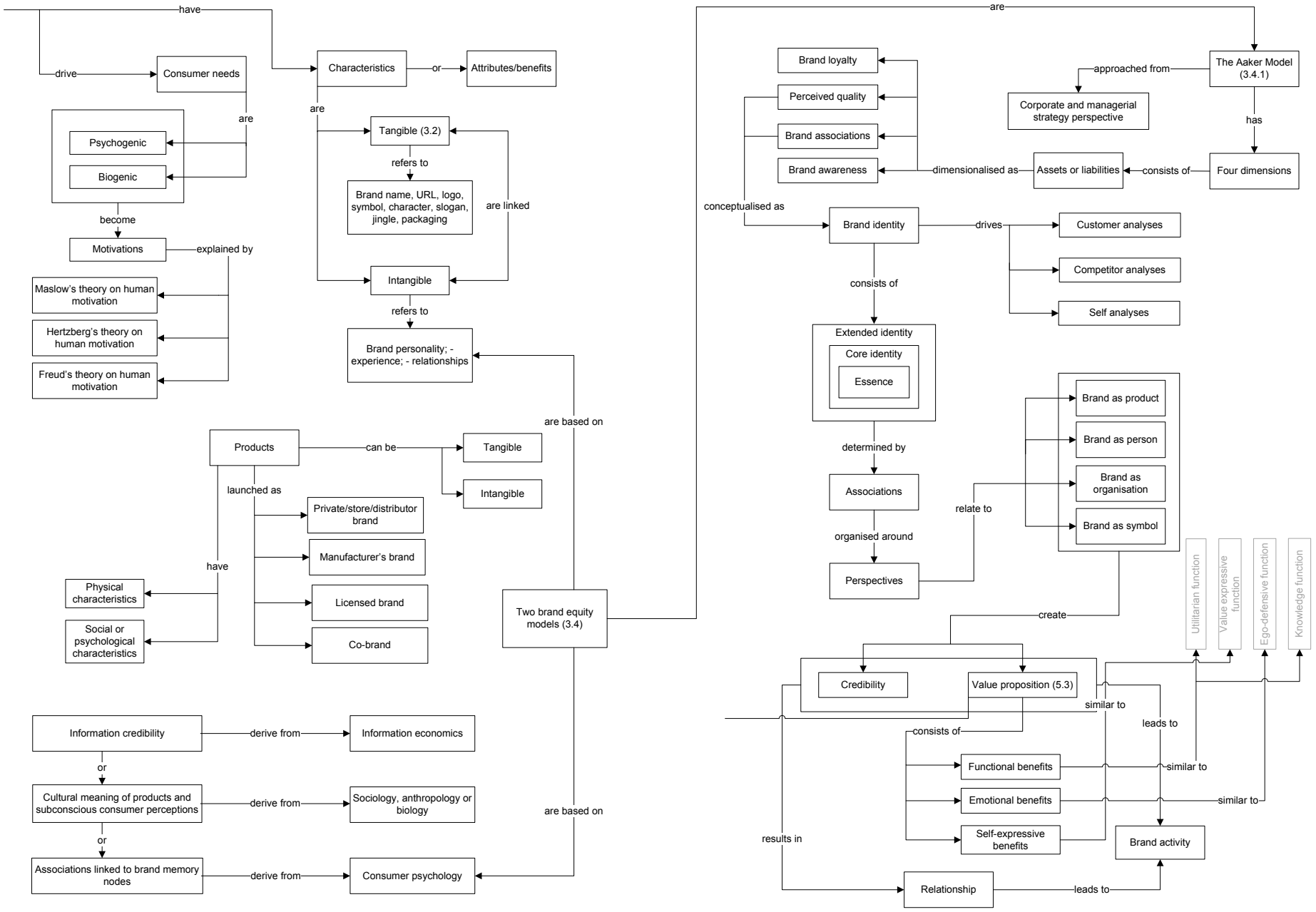
[15] Sensory experiences (SENSE); affective experiences (FEEL); creative cognitive experiences (THINK); physical experiences, behaviours and lifestyles (ACT); and social-identity experiences that result from relating to a group or culture (RELATE). The aforementioned experiences are implemented through experience providers such as communication, visual and verbal identity product presence and electronic media.

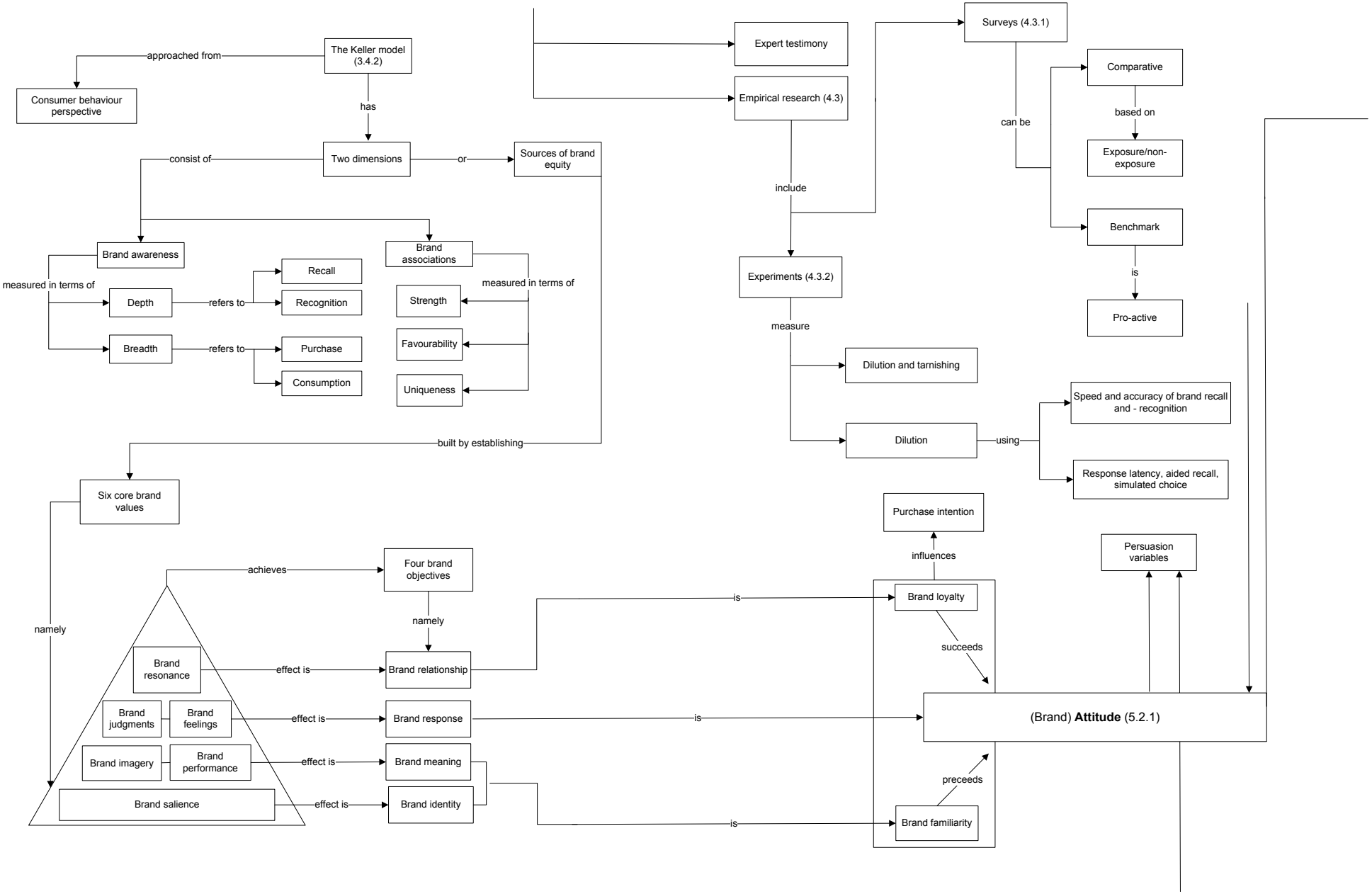
[16] The other three characteristics of experiential marketing are the focus on customer experiences, customers as rational and emotional beings and eclectic tools and methods.

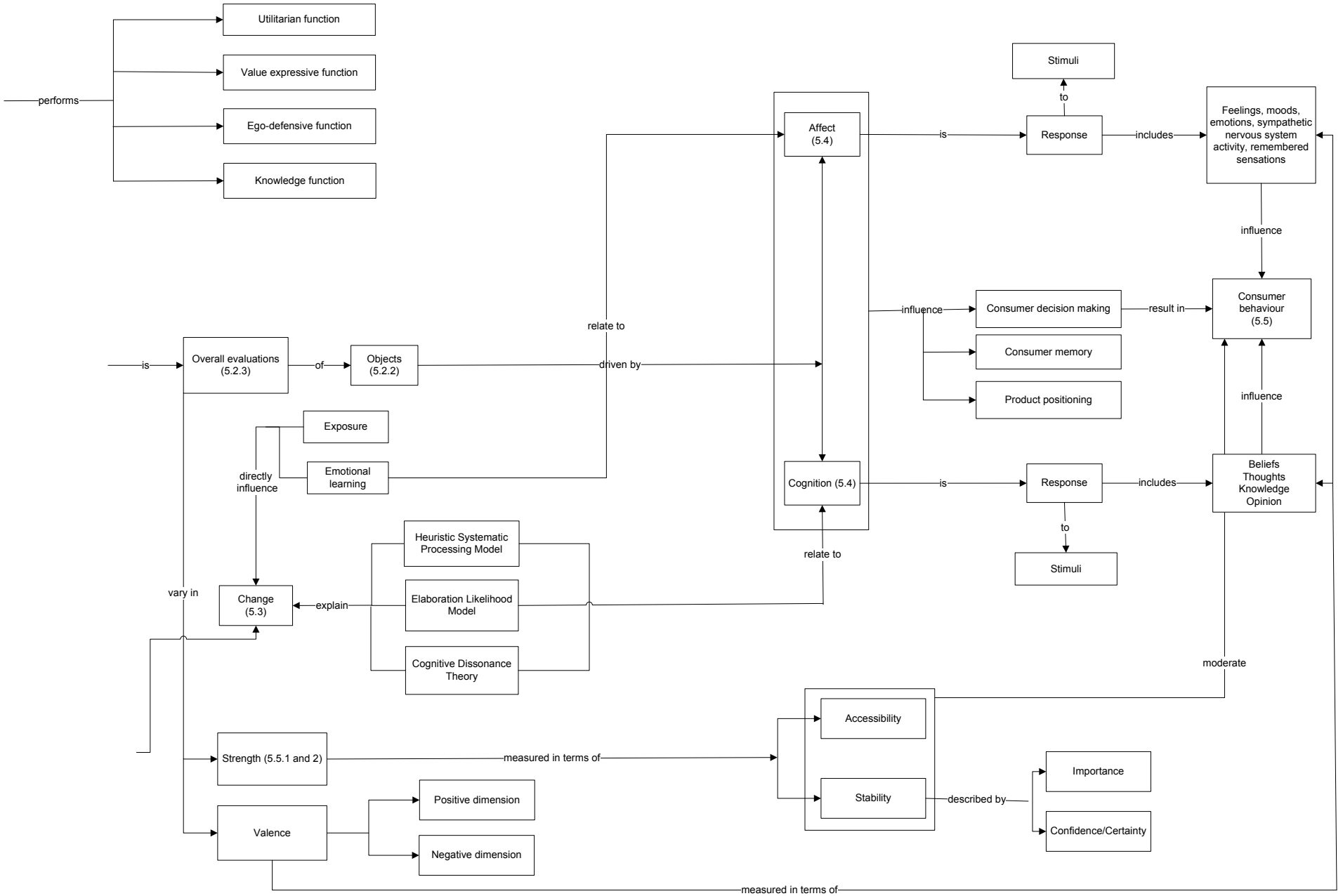
Appendix F:

Conceptual construct of customer-based brand equity and dilution




have
drive
Consumer needs
are
Psychogenic
Biogenic
become
Motivations
explained by
Maslow's theory on human motivation
Hertzberg's theory on human motivation
Freud's theory on human motivation
Characteristics
or
Attributes/benefits
are
Tangible (3.2)
refers to
Brand name, URL, logo, symbol, character, slogan, jingle, packaging
are linked
Intangible
refers to
Brand personality; - experience; - relationships
are based on
Products
can be
Tangible
Intangible
launched as
Private/store/distributor brand
Manufacturer's brand
Licensed brand
Co-brand
have
Physical characteristics
Social or psychological characteristics
Two brand equity models (3.4)
Information credibility
derive from
Information economics
or
Cultural meaning of products and subconscious consumer perceptions
derive from
Sociology, anthropology or biology
or
Associations linked to brand memory nodes
derive from
Consumer psychology
are based on
are
Brand loyalty
Perceived quality
Brand associations
Brand awareness
approached from
The Aaker Model (3.4.1)
Corporate and managerial strategy perspective
has
Four dimensions
consists of
Assets or liabilities
dimensionalised as
conceptualised as
Brand identity
drives
Customer analyses
Competitor analyses
Self analyses
consists of
Extended identity
Core identity
Essence
determined by
Associations
organised around
Perspectives
relate to
Brand as product
Brand as person
Brand as organisation
Brand as symbol
Utilitarian function
Value expressive function
Ego-defensive function
Knowledge function
create
Credibility
Value proposition (5.3)
similar to
leads to
consists of
Functional benefits
Emotional benefits
Self-expressive benefits
similar to
similar to
results in
Brand activity
Relationship
leads to


The Keller model (3.4.2)
approached from
Consumer behaviour perspective
has
Two dimensions
consist of
or
Sources of brand equity
Brand awareness
Brand associations
measured in terms of
Depth
refers to
Recall
Recognition
Breadth
refers to
Purchase
Consumption
measured in terms of
Strength
Favourability
Uniqueness
built by establishing
Six core brand values
namely
achieves
Four brand objectives
namely
Brand resonance
effect is
Brand relationship
Brand judgments
Brand feelings
effect is
Brand response
Brand imagery
Brand performance
effect is
Brand meaning
Brand salience
effect is
Brand identity
Expert testimony
Empirical research (4.3)
include
Surveys (4.3.1)
can be
Comparative
based on
Exposure/non-exposure
Benchmark
is
Pro-active
Experiments (4.3.2)
measure
Dilution and tarnishing
Dilution
using
Speed and accuracy of brand recall and - recognition
Response latency, aided recall, simulated choice
Purchase intention
influences
Persuasion variables
is
Brand loyalty
succeeds
(Brand) Attitude (5.2.1)
is
is
preceeds
Brand familiarity


performs
Utilitarian function
Value expressive function
Ego-defensive function
Knowledge function
Stimuli
to
Affect (5.4)
is
Response
includes
Feelings, moods, emotions, sympathetic nervous system activity, remembered sensations
influence
Consumer behaviour (5.5)
influence
Consumer decision making
result in
Consumer memory
Product positioning
relate to
driven by
is
Overall evaluations (5.2.3)
of
Objects (5.2.2)
Exposure
directly influence
Emotional learning
Cognition (5.4)
is
Response
includes
Beliefs Thoughts Knowledge Opinion
influence
to
Stimuli
relate to
vary in
Change (5.3)
explain
Heuristic Systematic Processing Model
Elaboration Likelihood Model
Cognitive Dissonance Theory
moderate
Accessibility
Strength (5.5.1 and 2)
measured in terms of
Stability
described by
Importance
Confidence/Certainty
Valence
Positive dimension
Negative dimension
measured in terms of

Appendix G:

Questionnaires

Questionnaire 1: Momentum Baseline

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

Your decision whether or not to participate in the study will not affect your current or future relationship with the University of Stellenbosch Business School. If you decide to participate or withdraw during the experiment you are free to do so.

Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

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Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the Momentum brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the Momentum brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the Momentum brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the Momentum brand relevant to you?

Not relevant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Relevant

7. To what extent have you thought about the Momentum brand?

Have not thought about	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Have thought about

8. To what extent are you confident with your evaluation of the Momentum brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the Momentum brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the Sanlam brand:

○ Like

○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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11. Please indicate whether you like or dislike the Old Mutual brand:

○ Like

○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the Momentum brand:

○ Like

○ Dislike

13. In the future, I intend to use Momentum for insurance purchases.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
○	○	○	○	○	○	○

14. If you were in the market for insurance, how likely would you be to use Momentum?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
○	○	○	○	○	○	○

15. In the near future, I will not use Momentum as my insurance provider.

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
○	○	○	○	○	○	○

16. How familiar are you with the Momentum brand?

Unfamiliar	○ ○ ○ ○ ○ ○ ○	Familiar

17. How experienced are you with the Momentum brand?

Inexperienced	○ ○ ○ ○ ○ ○ ○	Experienced

18. How knowledgeable about the Momentum brand are you?

Not knowledgeable	○ ○ ○ ○ ○ ○ ○	Knowledgeable

19. The following statements refer to the Momentum brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly

I will support the Momentum brand the next time I purchase insurance	○	○	○	○	○	○	○
I intend to keep purchasing the Momentum brand	○	○	○	○	○	○	○
I am committed to the Momentum brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the Momentum brand over other insurance brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 2: Momentum Tarnish

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

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Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

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Timing

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Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the Momentum brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the Momentum brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the Momentum brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the Momentum brand relevant to you?

Not relevant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Relevant

7. To what extent have you thought about the Momentum brand?

Have not thought about ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Have thought about

8. To what extent are you confident with your evaluation of the Momentum brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the Momentum brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the Sanlam brand:

○ Like

○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

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Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Old Mutual brand:

11. Please indicate whether you like or dislike the Old Mutual brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

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Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the Momentum brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use Momentum for insurance purchases.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were in the market for insurance, how likely would you be to use Momentum?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not use Momentum as my insurance provider.

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
◯	◯	◯	◯	◯	◯	◯

16. How familiar are you with the Momentum brand?

Unfamiliar ◯ ◯ ◯ ◯ ◯ ◯ ◯ Familiar

17. How experienced are you with the Momentum brand?

Inexperienced ◯ ◯ ◯ ◯ ◯ ◯ ◯ Experienced

18. How knowledgeable about the Momentum brand are you?

Not knowledgeable ◯ ◯ ◯ ◯ ◯ ◯ ◯ Knowledgeable

19. The following statements refer to the Momentum brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will support the Momentum brand the next time I purchase insurance	○	○	○	○	○	○	○
I intend to keep purchasing the Momentum brand	○	○	○	○	○	○	○
I am committed to the Momentum brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the Momentum brand over other insurance brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 3: Momentum Blur

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

Your decision whether or not to participate in the study will not affect your current or future relationship with the University of Stellenbosch Business School. If you decide to participate or withdraw during the experiment you are free to do so.

Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

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Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the Momentum brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the Momentum brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the Momentum brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the Momentum brand relevant to you?

Not relevant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Relevant

7. To what extent have you thought about the Momentum brand?

Have not thought about ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Have thought about

8. To what extent are you confident with your evaluation of the Momentum brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the Momentum brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

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Page Submit: *0 seconds.*

Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the Sanlam brand:

- ○ Like
- ○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Old Mutual brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

making a success of life

momentum

12. Please indicate whether you like or dislike the Momentum brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use Momentum for insurance purchases.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were in the market for insurance, how likely would you be to use Momentum?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not use Momentum as my insurance provider.

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
◯	◯	◯	◯	◯	◯	◯

16. How familiar are you with the Momentum brand?

Unfamiliar ◯ ◯ ◯ ◯ ◯ ◯ ◯ Familiar

17. How experienced are you with the Momentum brand?

Inexperienced ◯ ◯ ◯ ◯ ◯ ◯ ◯ Experienced

18. How knowledgeable about the Momentum brand are you?

Not knowledgeable ◯ ◯ ◯ ◯ ◯ ◯ ◯ Knowledgeable

19. The following statements refer to the Momentum brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will support the Momentum brand the next time I purchase insurance	○	○	○	○	○	○	○
I intend to keep purchasing the Momentum brand	○	○	○	○	○	○	○
I am committed to the Momentum brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the Momentum brand over other insurance brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 4: City Lodge Baseline

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

Your decision whether or not to participate in the study will not affect your current or future relationship with the University of Stellenbosch Business School. If you decide to participate or withdraw during the experiment you are free to do so.

Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

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Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the City Lodge brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Enjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Unenjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the City Lodge brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the City Lodge brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the City Lodge brand relevant to you?

Not relevant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Relevant

7. To what extent have you thought about the City Lodge brand?

Have not thought about ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Have thought about

8. To what extent are you confident with your evaluation of the City Lodge brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the City Lodge brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the Protea Hotels brand:

- ○ Like
- ○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Hotel Formule 1 brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the City Lodge brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use City Lodge for hotel accomodation purposes.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were looking for hotel accommodation, how likely would you be to use City Lodge?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not use City Lodge for hotel accommodation.

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
◯	◯	◯	◯	◯	◯	◯

16. How familiar are you with the City Lodge brand?

Unfamiliar ◯ ◯ ◯ ◯ ◯ ◯ ◯ Familiar

17. How experienced are you with the City Lodge brand?

Inexperienced ○ ○ ○ ○ ○ ○ ○ Experienced

18. How knowledgeable about the City Lodge brand are you?

Not knowledgeable ○ ○ ○ ○ ○ ○ ○ Knowledgeable

19. The following statements refer to the City Lodge brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will support the City Lodge brand the next time I purchase hotel accommodation	○	○	○	○	○	○	○
I intend to keep using the City Lodge brand	○	○	○	○	○	○	○
I am committed to the City Lodge brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the City Lodge brand over other hotel accommodation brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 5: City Lodge Tarnish

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

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Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the City Lodge brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the City Lodge brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the City Lodge brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the City Lodge brand relevant to you?

Not relevant ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Relevant

7. To what extent have you thought about the City Lodge brand?

Have not thought about ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Have thought about

8. To what extent are you confident with your evaluation of the City Lodge brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the City Lodge brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

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Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the Protea Hotels brand:

○ Like

○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

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Page Submit: *0 seconds.*

Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Hotel Formule 1 brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the City Lodge brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use City Lodge for hotel accomodation purposes.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were looking for hotel accommodation, how likely would you be to use City Lodge?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not use City Lodge for hotel accommodation.

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
○	○	○	○	○	○	○

16. How familiar are you with the City Lodge brand?

Unfamiliar ○ ○ ○ ○ ○ ○ ○ Familiar

17. How experienced are you with the City Lodge brand?

Inexperienced ○ ○ ○ ○ ○ ○ ○ Experienced

18. How knowledgeable about the City Lodge brand are you?

Not knowledgeable ○ ○ ○ ○ ○ ○ ○ Knowledgeable

19. The following statements refer to the City Lodge brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will support the City Lodge brand the next time I purchase hotel accommodation	○	○	○	○	○	○	○
I intend to keep using the City Lodge brand	○	○	○	○	○	○	○
I am committed to the City Lodge brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the City Lodge brand over other hotel accommodation brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 6: City Lodge Dilution

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

Your decision whether or not to participate in the study will not affect your current or future relationship with the University of Stellenbosch Business School. If you decide to participate or withdraw during the experiment you are free to do so.

Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

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Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the City Lodge brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the City Lodge brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the City Lodge brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the City Lodge brand relevant to you?

Not relevant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Relevant

7. To what extent have you thought about the City Lodge brand?

Have not thought about ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Have thought about

8. To what extent are you confident with your evaluation of the City Lodge brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the City Lodge brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the Protea Hotels brand:

○ Like

○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Hotel Formule 1 brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the City Lodge brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use City Lodge for hotel accomodation purposes.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were looking for hotel accommodation, how likely would you be to use City Lodge?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not use City Lodge for hotel accommodation.

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
◯	◯	◯	◯	◯	◯	◯

16. How familiar are you with the City Lodge brand?

Unfamiliar ◯ ◯ ◯ ◯ ◯ ◯ ◯ Familiar

17. How experienced are you with the City Lodge brand?

Inexperienced ○ ○ ○ ○ ○ ○ ○ Experienced

18. How knowledgeable about the City Lodge brand are you?

Not knowledgeable ○ ○ ○ ○ ○ ○ ○ Knowledgeable

19. The following statements refer to the City Lodge brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will support the City Lodge brand the next time I purchase hotel accommodation	○	○	○	○	○	○	○
I intend to keep using the City Lodge brand	○	○	○	○	○	○	○
I am committed to the City Lodge brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the City Lodge brand over other hotel accommodation brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 7: FNB Baseline

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

Your decision whether or not to participate in the study will not affect your current or future relationship with the University of Stellenbosch Business School. If you decide to participate or withdraw during the experiment you are free to do so.

Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

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Last Click: *0 seconds.*

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Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the FNB brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the FNB brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the FNB brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the FNB brand relevant to you?

Not relevant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Relevant

7. To what extent have you thought about the FNB brand?

Have not thought about ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Have thought about

8. To what extent are you confident with your evaluation of the FNB brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the FNB brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the ABSA brand:

○ Like

○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Standard Bank brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the FNB brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use FNB for financial services.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were in the market for financial services, how likely would you be to use FNB?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not use FNB as my financial services provider.

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
◯	◯	◯	◯	◯	◯	◯

16. How familiar are you with the FNB brand?

Unfamiliar ◯ ◯ ◯ ◯ ◯ ◯ ◯ Familiar

17. How experienced are you with the FNB brand?

Inexperienced ◯ ◯ ◯ ◯ ◯ ◯ ◯ Experienced

18. How knowledgeable about the FNB brand are you?

Not knowledgeable ○ ○ ○ ○ ○ ○ ○ Knowledgeable

19. The following statements refer to the FNB brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will use the FNB brand the next time I need financial services	○	○	○	○	○	○	○
I intend to keep using the FNB brand	○	○	○	○	○	○	○
I am committed to the FNB brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the FNB brand over other financial services brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 8: FNB Tarnish

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

Your decision whether or not to participate in the study will not affect your current or future relationship with the University of Stellenbosch Business School. If you decide to participate or withdraw during the experiment you are free to do so.

Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the FNB brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical

Useless	○ ○ ○ ○ ○ ○ ○	Useful
Harmful	○ ○ ○ ○ ○ ○ ○	Beneficial
Not problem solving	○ ○ ○ ○ ○ ○ ○	Problem solving

4. To what extent do you view the FNB brand as:

Bad	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Good
Negative	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Positive
Dislike	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Like

5. To what extent is the FNB brand important to you?

Unimportant	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Important

6. To what extent is the FNB brand relevant to you?

Not relevant	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Relevant

7. To what extent have you thought about the FNB brand?

Have not thought about	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Have thought about

8. To what extent are you confident with your evaluation of the FNB brand?

Not confident	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Confident

9. To what extent are you certain about your evaluation of the FNB brand?

Not certain	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

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Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the ABSA brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

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Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Standard Bank brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

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Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the FNB brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use FNB for financial services.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were in the market for financial services, how likely would you be to use FNB?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not use FNB as my financial services provider.

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
◯	◯	◯	◯	◯	◯	◯

16. How familiar are you with the FNB brand?

Unfamiliar ◯ ◯ ◯ ◯ ◯ ◯ ◯ Familiar

17. How experienced are you with the FNB brand?

Inexperienced ◯ ◯ ◯ ◯ ◯ ◯ ◯ Experienced

18. How knowledgeable about the FNB brand are you?

Not knowledgeable ◯ ◯ ◯ ◯ ◯ ◯ ◯ Knowledgeable

19. The following statements refer to the FNB brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will use the FNB brand the next time I need financial services	◯	◯	◯	◯	◯	◯	◯
I intend to keep using the FNB brand	◯	◯	◯	◯	◯	◯	◯
I am committed to the FNB brand	◯	◯	◯	◯	◯	◯	◯
I would be willing to pay a higher price for the FNB brand over other financial services brands	◯	◯	◯	◯	◯	◯	◯

Please indicate your age in the block provided.

Please indicate your gender.

Male ◯ Female ◯

Please indicate your race.

European ◯ African ◯ Asian ◯ Hispanic ◯

Please indicate your nationality.

South African	African	European	American	Asian	Australasian
○	○	○	○	○	○

Questionnaire 9: FNB Blur

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

Your decision whether or not to participate in the study will not affect your current or future relationship with the University of Stellenbosch Business School. If you decide to participate or withdraw during the experiment you are free to do so.

Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

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Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the FNB brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the FNB brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the FNB brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the FNB brand relevant to you?

Not relevant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Relevant

7. To what extent have you thought about the FNB brand?

Have not thought about ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Have thought about

8. To what extent are you confident with your evaluation of the FNB brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the FNB brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the ABSA brand:

- ○ Like
- ○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Standard Bank brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the FNB brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use FNB for financial services.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were in the market for financial services, how likely would you be to use FNB?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not use FNB as my financial services provider.

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
◯	◯	◯	◯	◯	◯	◯

16. How familiar are you with the FNB brand?

Unfamiliar ◯ ◯ ◯ ◯ ◯ ◯ ◯ Familiar

17. How experienced are you with the FNB brand?

Inexperienced ◯ ◯ ◯ ◯ ◯ ◯ ◯ Experienced

18. How knowledgeable about the FNB brand are you?

Not knowledgeable ○ ○ ○ ○ ○ ○ ○ Knowledgeable

19. The following statements refer to the FNB brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will use the FNB brand the next time I need financial services	○	○	○	○	○	○	○
I intend to keep using the FNB brand	○	○	○	○	○	○	○
I am committed to the FNB brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the FNB brand over other financial services brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 10: Nando's Baseline

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

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Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

Your decision whether or not to participate in the study will not affect your current or future relationship with the University of Stellenbosch Business School. If you decide to participate or withdraw during the experiment you are free to do so.

Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

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Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the Nando's brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the Nando's brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the Nando's brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the Nando's brand relevant to you?

Not relevant ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Relevant

7. To what extent have you thought about the Nando's brand?

Have not thought about ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Have thought about

8. To what extent are you confident with your evaluation of the Nando's brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the Nando's brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the KFC brand:

○ Like

○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Chicken Licken brand:

Like	Dislike
○	○

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

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Page Submit: *0 seconds.*

Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the Nando's brand:

Like	Dislike
○	○

13. In the future, I intend to use Nando's for fast food purchases.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
○	○	○	○	○	○	○

14. If you were in the market for fast food, how likely would you be to buy Nando's?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
○	○	○	○	○	○	○

15. In the near future, I will not buy Nando's fast food

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
○	○	○	○	○	○	○

16. How familiar are you with the Nando's brand?

Unfamiliar ○ ○ ○ ○ ○ ○ ○ Familiar

17. How experienced are you with the Nando's brand?

Inexperienced ○ ○ ○ ○ ○ ○ ○ Experienced

18. How knowledgeable about the Nando's brand are you?

Not knowledgeable ○ ○ ○ ○ ○ ○ ○ Knowledgeable

19. The following statements refer to the Nando's brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will buy Nando's the next time I buy fast food	○	○	○	○	○	○	○
I intend to keep purchasing Nando's	○	○	○	○	○	○	○
I am committed to the Nando's brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the Nando's brand over other fast food brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 11: Nando's Tarnish

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

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Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the Nando's brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical
Useless	◯ ◯ ◯ ◯ ◯ ◯ ◯	Useful
Harmful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Beneficial
Not problem solving	◯ ◯ ◯ ◯ ◯ ◯ ◯	Problem solving

4. To what extent do you view the Nando's brand as:

Bad	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Good
Negative	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Positive
Dislike	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Like

5. To what extent is the Nando's brand important to you?

Unimportant	◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯ ◯	Important

6. To what extent is the Nando's brand relevant to you?

Not relevant ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Relevant

7. To what extent have you thought about the Nando's brand?

Have not thought about ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Have thought about

8. To what extent are you confident with your evaluation of the Nando's brand?

Not confident ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Confident

9. To what extent are you certain about your evaluation of the Nando's brand?

Not certain ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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First Click: *0 seconds.*

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Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the KFC brand:

○ Like

○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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Page Submit: *0 seconds.*

Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Chicken Licken brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the Nando's brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use Nando's for fast food purchases.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were in the market for fast food, how likely would you be to buy Nando's?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not buy Nando's fast food

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
○	○	○	○	○	○	○

16. How familiar are you with the Nando's brand?

Unfamiliar ○ ○ ○ ○ ○ ○ ○ Familiar

17. How experienced are you with the Nando's brand?

Inexperienced ○ ○ ○ ○ ○ ○ ○ Experienced

18. How knowledgeable about the Nando's brand are you?

Not knowledgeable ○ ○ ○ ○ ○ ○ ○ Knowledgeable

19. The following statements refer to the Nando's brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will buy Nando's the next time I buy fast food	○	○	○	○	○	○	○
I intend to keep purchasing Nando's	○	○	○	○	○	○	○
I am committed to the Nando's brand	○	○	○	○	○	○	○
I would be willing to pay a higher price for the Nando's brand over other fast food brands	○	○	○	○	○	○	○

Please indicate your age in the block provided.

Please indicate your gender.

Male ○ Female ○

Please indicate your race.

European ○ African ○ Asian ○ Hispanic ○

Please indicate your nationality.

South African ○ African ○ European ○ American ○ Asian ○ Australasian ○

Questionnaire 12: Nando's Blur

Introduction

Trademark – and brand dilution: an empirical investigation

You have been invited to take part in a research study concerning the nature and extent of economic harm caused by trademark/brand dilution, conceptualised as consumer attitudes and response latencies. If you agree to participate in the study you will be asked to read this form and indicate at the end of the form that you take note of its content and agree to participate in the study that will take approximately 15 minutes of your time.

The study is being conducted by Hannelie Kruger, Doctoral candidate of Management and Economic Science, University of Stellenbosch Business School.

Background information:

The purpose of this study is to better understand the nature and extent of the economic harm caused by trademark/brand dilution. The study investigates how a trademark/brand that has either been tarnished or blurred affects how consumers think, feel and behave as well as how quickly they respond. The study's findings will help researchers and practitioners to develop a better understanding of the effect of trademark/brand dilution and how to respond as a result.

Procedures:

If you agree to take part in this study, you will be randomly assigned to either one of eight experimental groups or one of four benchmark groups. In the experimental group, you will be exposed to a trademark/brand that has either been tarnished or blurred. In the benchmark group you will be exposed to an untreated trademark/brand. Both groups will be asked to complete a questionnaire that will measure your attitude towards the relevant untreated trademark/brand. Your response latency to three different brands will also be measured. The questionnaire will contain the full instructions. Once you have completed the questionnaire it will automatically be returned to the researcher.

Risks and benefits of taking part in the study:

There are no physical or psychological risks associated with participation in this study and completing this questionnaire. The information provided allows the researcher to better understand the nature of trademark/brand dilution. You will also stand a one in 75 chance of winning one of the four R1 000 vouchers. Furthermore, you will be exposed to the software program Qualtrics which you could use for your own research.

Confidentiality:

All your answers will be kept strictly confidential. Participants are only known by their email addresses which are required to send the questionnaire as well as to identify the four reward winners. However, it will be difficult to connect a respondent personally to a response that is logged in a locked database to which only the researcher has access. The researcher also has no interest in connecting particular responses to specific students or spending the time to do so.

Voluntary nature of the study:

Your decision whether or not to participate in the study will not affect your current or future relationship with the University of Stellenbosch Business School. If you decide to participate or withdraw during the experiment you are free to do so.

Questions and contacts:

The researcher conducting this study is Hannelie Kruger. You may ask questions you may have regarding this study. Please contact me at:

Hannelie Kruger, Ph.D. student

Hannelie.Kruger@usb.ac.za<mailto:Hannelie.Kruger@usb.ac.za>

University of Stellenbosch Business School

Cell number: 083 397 3146

Should you have any questions or concerns regarding this study and do not wish to talk to the researcher, you may contact Prof. C. Boshoff at cboshoff@sun.ac.za<mailto:cboshoff@sun.ac.za>.

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

These page timer metrics will not be displayed to the recipient.

First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

1. Please indicate whether you like or dislike the Metropolitan brand:

- ◯ Like
- ◯ Dislike

2. Please use the mouse to click on the area of the image that you like the most

3. Please evaluate the Nando's brand on the following dimensions:

Not fun	◯ ◯ ◯ ◯ ◯ ◯ ◯	Fun
Dull	◯ ◯ ◯ ◯ ◯ ◯ ◯	Exciting
Not delightful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Delightful
Not thrilling	◯ ◯ ◯ ◯ ◯ ◯ ◯	Thrilling
Unenjoyable	◯ ◯ ◯ ◯ ◯ ◯ ◯	Enjoyable
Unpleasant	◯ ◯ ◯ ◯ ◯ ◯ ◯	Pleasant
Not playful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Playful
Not amusing	◯ ◯ ◯ ◯ ◯ ◯ ◯	Amusing
Ineffective	◯ ◯ ◯ ◯ ◯ ◯ ◯	Effective
Unhelpful	◯ ◯ ◯ ◯ ◯ ◯ ◯	Helpful
Not functional	◯ ◯ ◯ ◯ ◯ ◯ ◯	Functional
Unnecessary	◯ ◯ ◯ ◯ ◯ ◯ ◯	Necessary
Impractical	◯ ◯ ◯ ◯ ◯ ◯ ◯	Practical

Useless	○ ○ ○ ○ ○ ○ ○	Useful
Harmful	○ ○ ○ ○ ○ ○ ○	Beneficial
Not problem solving	○ ○ ○ ○ ○ ○ ○	Problem solving

4. To what extent do you view the Nando's brand as:

Bad	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Good
Negative	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Positive
Dislike	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Like

5. To what extent is the Nando's brand important to you?

Unimportant	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Important

6. To what extent is the Nando's brand relevant to you?

Not relevant	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Relevant

7. To what extent have you thought about the Nando's brand?

Have not thought about	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Have thought about

8. To what extent are you confident with your evaluation of the Nando's brand?

Not confident	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Confident

9. To what extent are you certain about your evaluation of the Nando's brand?

Not certain	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Certain

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

10. Please indicate whether you like or dislike the KFC brand:

○ Like

○ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

11. Please indicate whether you like or dislike the Chicken Licken brand:

- ◯ Like
- ◯ Dislike

When you click the "next" button you will be shown a brand on the computer screen. Please indicate if you like or dislike the brand in the question that follows. Please respond as quickly and accurately as possible.

Timing

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First Click: *0 seconds.*

Last Click: *0 seconds.*

Page Submit: *0 seconds.*

Click Count: *0 clicks.*

12. Please indicate whether you like or dislike the Nando's brand:

- ◯ Like
- ◯ Dislike

13. In the future, I intend to use Nando's for fast food purchases.

Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
◯	◯	◯	◯	◯	◯	◯

14. If you were in the market for fast food, how likely would you be to buy Nando's?

Very unlikely	Unlikely	Somewhat unlikely	Undecided	Somewhat likely	Likely	Highly likely
◯	◯	◯	◯	◯	◯	◯

15. In the near future, I will not buy Nando's fast food

Very improbable	Improbable	Somewhat improbable	Undecided	Somewhat probable	Probable	Very probable
◯	◯	◯	◯	◯	◯	◯

16. How familiar are you with the Nando's brand?

Unfamiliar ◯ ◯ ◯ ◯ ◯ ◯ ◯ Familiar

17. How experienced are you with the Nando's brand?

Inexperienced ◯ ◯ ◯ ◯ ◯ ◯ ◯ Experienced

18. How knowledgeable about the Nando's brand are you?

Not knowledgeable ◯ ◯ ◯ ◯ ◯ ◯ ◯ Knowledgeable

19. The following statements refer to the Nando's brand. Please indicate the extent to which you agree or disagree with the statements.

	Disagree strongly	Disagree	Disagree somewhat	Undecided	Agree somewhat	Agree	Agree strongly
I will buy Nando's the next time I buy fast food	◯	◯	◯	◯	◯	◯	◯
I intend to keep purchasing Nando's	◯	◯	◯	◯	◯	◯	◯
I am committed to the Nando's brand	◯	◯	◯	◯	◯	◯	◯
I would be willing to pay a higher price for the Nando's brand over other fast food brands	◯	◯	◯	◯	◯	◯	◯

Please indicate your age in the block provided.

Please indicate your gender.

Male ◯ Female ◯

Please indicate your race.

European African Asian Hispanic

Please indicate your nationality.

South African	African	European	American	Asian	Australasian
○	○	○	○	○	○

Appendix H Ethical clearance

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jou kennisvennoot · your knowledge partner

Approved with Stipulations
New Application

23-Apr-2013
KRUGER, Hannelie

Protocol #: HS916/2013
Title: Trademark and brand dilution: an empirical investigation

Dear Ms Hannelie KRUGER,

The **New Application** received on **10-Apr-2013**, was reviewed by members of **Research Ethics Committee: Human Research (Humanities)** via Expedited review procedures on **19-Apr-2013**.

Please note the following information about your approved research protocol:

Protocol Approval Period: **23-Apr-2013 -22-Apr-2014**

The Stipulations of your ethics approval are as follows:
1. COMMENTS
This is a low risk project that would have been suitable doe DESC approval. (USB yet to establish a DESC)

2. Application form
2.1 5.3.1 The statement informed consent is not necessary is incorrect. Informed consent is always necessary in almost all types of research with a few exceptions. What you mean is that documentation of written informed consent is not necessary because return of a completed questionnaire implies informed consent.

2.2 Institutional permission to use and access students must be obtained in writing from the Head, USB. Please forward a copy to the REC

3. INFORMED CONSENT- Formulation acceptable

Standard provisions
1. The researcher will remain within the procedures and protocols indicated in the proposal, particularly in terms of any undertakings made in terms of the confidentiality of the information gathered.
2. The research will again be submitted for ethical clearance if there is any substantial departure from the existing proposal.
3. The researcher will remain within the parameters of any applicable national legislation, institutional guidelines and scientific standards relevant to the specific field of research.
4. The researcher will consider and implement the foregoing suggestions to lower the ethical risk associated with the research.

You may commence with your research with strict adherence to the abovementioned provisions and stipulations.

Please remember to use your **protocol number** (**HS916/2013**) on any documents or correspondence with the REC concerning your research protocol.

Please note that the REC has the prerogative and authority to ask further questions, seek additional information, require further modifications, or monitor the conduct of your research and the consent process.

After Ethical Review:
Please note that a progress report should be submitted to the Committee before the approval period has expired if a continuation is required.
The Committee will then consider the continuation of the project for a further year (if necessary). Annually a number of projects may be selected randomly for an external audit.

National Health Research Ethics Committee (NHREC) number REC-050411-032.

This committee abides by the ethical norms and principles for research, established by the Declaration of Helsinki, the South African Medical Research Council Guidelines as well as the Guidelines for Ethical Research: Principles Structures and Processes 2004 (Department of Health).

Provincial and City of Cape Town Approval

Please note that for research at a primary or secondary healthcare facility permission must be obtained from the relevant authorities (Western Cape Department of Health and/or City Health) to conduct the research as stated in the protocol. Contact persons are Ms Claudette Abrahams at Western Cape Department of Health (healthres@pgwc.gov.za Tel: +27 21 483 9907) and Dr Helene Visser at City Health (Helene.Visser@capetown.gov.za Tel: +27 21 400 3981). Research that will be conducted at any tertiary academic institution requires approval from the relevant parties. For approvals from the Western Cape Education Department, contact Dr AT Wyngaard (awyngaar@pgwc.gov.za, Tel: 0214769272, Fax: 0865902282, http://wced.wcape.gov.za).

Institutional permission from academic institutions for students, staff & alumni. This institutional permission should be obtained before submitting an application for ethics clearance to the REC.
Please note that informed consent from participants can only be obtained after ethics approval has been granted. It is your responsibility as researcher to keep signed informed consent forms for inspection for the duration of the research.

We wish you the best as you conduct your research.
If you have any questions or need further help, please contact the REC office at 0218089183.

Included Documents:
letter supervisor
letter
REC application
Questionnaire

Sincerely,

Susara Oberholzer
REC Coordinator
Research Ethics Committee: Human Research (Humanities)